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## Near East/South Asia Report

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REGIONAL AFFAIRS

FAILURE OF SYRIAN-IRAQI RECONCILIATION EFFORTS

London AL-HAWADITH in Arabic 27 Jun 86 pp 26-27

[Article by 'Afaf Zayn: "Differences Outweigh Understanding"]

[Text] A few hours before the scheduled meeting between the foreign ministers of Iraq and Syria, Tariq 'Aziz and Faruq al-Shar', which was to take place at the border post of Abu al-Shamat, it was announced from Amman--the Jordanian capital--that the meeting will be delayed for an indefinite date "because the discussions that are required for the success of this meeting were not completed."

Despite the hope of the Arab world, governments, and people that Abu al-Shamat meeting will lead to good results, and despite the encouraging response with which the news of the Syrian-Iraqi meeting was received, the JORDANIAN NEWS AGENCY reported the news without going into the reasons for the delay.

The most important and puzzling questions that were raised by the delay in Arab circles can be summarized as follows:

Does the delay imply that Damascus and Baghdad have rejected the conditions for a truce, i.e., a normalization of their relations. This would mean the failure of the Arab mediating efforts, which lasted 1 year, to clear the air between them and the failure of attempts to convene a united summit to deal with the dangerous challenges facing the Arab nation? What role has been played by those who have tried to "complete the discussions" between Damascus and Baghdad since it was the disruption of these discussions that prevented the brotherly meeting? What types of subjects suddenly arose and seeded suspicion and doubt on the triangular road leading from Damascus, Amman, and Baghdad to the border post of Abu al-Shamat? Or maybe it would be better to ask if the delay has raised some optimism that the meeting between Syria and Iraq will eventually occur but without a definite prearranged date?

To answer the questions that resulted from the announcement of the delay of the meeting between 'Aziz and al-Shar', we have to review the press reports concerning the reasons for the delay. The most obvious reason is that the Abu al-Shamat meeting--as reported in several Arab newspapers that closely monitored the negotiations between Iraq and Syria--revolved around a late request by the Iraqis to add specific items to the agenda of the meeting. Syria's negative response to this request--according to the press reports--forced Iraq to postpone the discussions.

AL-HAWADITH contacted a senior Syrian official to investigate reports on the causes for the delay. The Syrian official replied that "there is no truth to reports on this subject or to allegations of an Iraqi request to add items to the agenda of the meeting, or to accusations of Iraqi responsibility for the delay."

He added: "Reports concerning the conditions that allegedly Syria had suddenly insisted on prior to Abu al-Shamat meeting, particularly the condition related to the reopening of the Iraqi oil pipeline between Karkuk and Banyas, are groundless."

Therefore, and in view of the confusion that resulted from the various reports on the causes for the delay and the statement by the Syrian official concerning what has been attributed to Syria, and in view of the cautious Iraqi response regarding the reasons for the delay, it was normal and logical that we inquire from the Jordanian Ministry of Foreign Affairs as to the real causes for the postponement of the meeting.

When contacted, a Jordanian official stated: "The reasons for the postponement were not new or sudden and neither side was responsible for it." The problem was in the second and more important part of the meeting's agenda between al-Shar' and 'Aziz, i.e., the part concerning the subjects that were to be discussed in the summit between President Hafiz al-Asad and President Saddam Husayn. This summit was scheduled after the al-Shar'-'Aziz meeting. The Jordanian official added: "New developments led to a delay in reviewing the important issues which were to form the agenda of the Syrian-Iraqi summit including the position of Damascus vis-a-vis the Iraq-Iran war, and neither Syria nor Iraq was responsible for the delay in reviewing this issue. Jordan will attempt anew to continue its good offices and will attempt to avoid similar external developments."

What are, therefore, the points that were initially agreed upon as forming part of the Syrian-Iraqi presidential summit agenda, and what were the sudden and negative new developments which added a disruptive issue to the second part of the agenda for the meeting between al-Shar' and 'Aziz, i.e., the preparation for the meeting between President Asad and President Husayn?

Insofar as the first part of the agenda for the meeting between foreign ministers al-Shar' and 'Aziz, i.e., the section concerning the opening of the borders between the two countries, the reopening of the Iraqi pipeline that passes through Syria, and the reestablishment of political cooperation between the two countries, we can state, on the basis of the official declarations in Baghdad and Damascus, that the above issues were not discussed in detail at the ministerial meeting. While Baghdad stated through the editorials of its largest government-controlled press that it is not in any hurry to reopen the Iraq pipeline and that it is not anxious to pump its oil through Syrian territories, the editorials in the Syrian government-controlled press, on the other hand, including the prestigious TISHRIN which supports President Asad, commented on the "benefits of Arab solidarity and the need to confront imperialist designs." Therefore, if we compare the Iraqi statement on the need for caution and reflection, and the Syrian

reminder about the virtues and benefits of Arab solidarity, we would have to conclude that the issues that would have been discussed by the two ministers, al-Shar' and 'Aziz, would not have been controversial enough to result in the sudden developments that the Jordanian official referred to, and would not have dashed the great hope concerning the probability that this historical meeting would be held at a later date.

All the facts, including the important declarations of the Jordanian official, point to the second part of the agenda for the Abu al-Shamat meeting as the main reason for the delay. This part dealt with the preparation for the subjects that were to be discussed at the summit between President al-Asad and President Husayn. Moreover, sudden new developments made it more difficult to reach agreement on certain details. In view of the above reasoning, we had to review all the new developments that occurred the week prior to the meeting between the foreign ministers of Iraq and Syria, particularly those developments that were directly related to the most important issues of the presidential summit, i.e., the war between Iraq and Iran and the position of Damascus regarding that war.

It is worth noting in this context that the wave of optimism that resulted from the shuttle diplomacy that the Jordanian monarch carried out between Damascus and Baghdad and the possible success of his mediation efforts coincided with the cooling of Syrian-Iranian relations, which was reflected in the Damascus and Teheran press coverage, and with the tensions that followed this situation in the contiguous Syrian-Iranian areas in Lebanon. In addition, Iran had stopped providing easy terms for the oil it exported to Syria. However, as soon as the news agencies began reporting on the optimism of the Jordanian monarch about a near reconciliation between Iraq and Syria, an outlook which the Jordanian foreign minister, Zayd al-Rifa'i, shared with the Syrian president during his visit to Athens, it was announced in the French capital, days before the visit of Mr Tariq 'Aziz to that capital, that Iranian oil exports to Damascus were to resume according to the preferential price provided for in the 1982 agreement between Syria and Iran.

Furthermore, a week before the border meeting at Abu al-Shamat, the Iranian foreign minister, Muhammad 'Ali Basharti, arrived in Damascus and met with senior Syrian officials headed by Syrian President Hafiz al-Asad. Within the framework of the Syrian-Iranian relationship, it was announced in Damascus--at the end of the visit of the Iranian official--that "the relationship with Iran is a strategic one and will continue to guarantee the mutual interests of both parties. Syria believes that Damascus, Baghdad, and Teheran constitute a strong force in the struggle against imperialism and zionism."

While there was talk of Teheran's resumption of oil exports to Syria on the basis of the preferential price, and the sudden visit by the Iranian official to Damascus to discuss the fighting in the Palestinian camps in Beirut, the Iraqi foreign minister, Tariq 'Aziz, arrived in Paris on an official visit. In Paris, the Iraqi official repeated his previous statement that he had made to AL-HAWADITH in his previous interview with it in Baghdad concerning his forthcoming meeting with his Syrian counterpart: "We only request that our brothers in Damascus withdraw their support--in word only--for Iran, with



whom we are fighting a defensive war to protect Iraqi sovereignty and the Arab nation."

We should make few comments within the framework of talks about the recent developments, the resumption of Iranian oil exports to Syria, and the visit of Basharti to Damascus so that we can give an objective overview of the atmospehrics in the two countries on the eve of Abu al-Shamat meeting. There was no Syrian official statement in Damascus concerning the al-Shar'-Aziz meeting. Moreover, Syrian media ignored this issue. While Tariq 'Aziz was in Paris the various outlets of the Iraqi official press increased their media campaign questioning the true Syrian motives and Syrian willingness to achieve reconciliation with Iraq. Furthermore, while it was reported in Damascus that Syrian officials were startled by the strong language used by the Iraqis, the Iraqi press contained offensive front-page editorials 48 hours prior to the meeting at al-Shamat. The daily AL-THAWRA called the Syrian leaders traitors. The situation deteriorated when the French news agency reported the same day, and on the eve of al-Shamat meeting, strong statements by an Iraqi party leader in which he attacked President Hafiz al-Asad by name. The Syrian official whom AL-HAWADITH contacted commented on the intense Iraqi media campaign by saying: "Is this the proper and encouraging milieu that is created by someone who is seeking reconciliation?"

The comment by the Syrian official to AL-HAWADITH summarized the many questions that were raised by the Syrian leadership concerning the seriousness of the Iraqis to reconcile with Syria. On the other hand, the Syrian emdia ignored the strong language used by the Iraqi media.

Meanwhile, the entourage of minister Tariq 'Aziz reflected the deep disappointment the Iraqi official felt when he received the news--while in Paris--about the visit of the Iranian official, Muhammad 'Ali Basharti, and when he heard about the Syrian statements that were made following the visit concerning its strategic relationship with Iran, which has occupied for 3 months the Faw, an Iraqi Arab land.

No matter what the reasons were for the postponement of the meeting between Syria and Iraq, it has also led to the delay of a general Arab reconciliation that would have assisted in solving 80 percent of the Arab problems. The Tunisian prime minister expressed to AL-HAWADITH the disappointment this postponement created in Arab circles. Therefore, is there any hope left for a renewed attempt at achieving reconciliation through King Husayn and the secretary general of the Arab League with the support of the Kingdom of Saudi Arabia? Moreover, would optimism concerning this matter be considered delusive, or are there a variety of reasons and circumstances that make the Syrian-Iraqi meeting inevitable, i.e., a necessity that transcends ideological and tactical differences that resulted from the Iraq-Iran war in the Arab arena?

A renowned Arab nationalist intellectual made the following comment to AL-HAWADITH concerning the possibilities for a Syrian-Iraqi meeting: "The mediation efforts to reconcile Syria and Iraq must not fail because their failure would bring great destruction to both countries."

It is within the context of the above comment that the compelling reasons for a Syrian-Iraqi meeting assume their true dimension, i.e., that mutual interests will force the two conflicting states to meet. Before we speak of the mutual needs that make that meeting inevitable, and hence make reconciliation possible, we must ask the following question: Are the present circumstances and the sudden developments which they might lead conducive to the fulfillment of the above assumption?

It is worth noting that the border meeting between Syria and Iraq which was postponed last week did not occur in a vacuum and was not the result of a coincidence. It is true that the reconciliation committee which was supported by the efforts of the Jordanian monarch was successful in setting up a date for the meeting which was then cancelled. However, the cancelled meeting was preceded last year by two border meetings between Syrian and Iraqi security officials. The first meeting was held at the end of last September, and the second at the end of last year. These two security meetings discussed sensitive security issues directly related to the political truce that was suggested between Damascus and Baghdad. Moreover, the unsuccessful historic meeting was not the first and only reconciliation attempt in the history of the two countries, nor were the dangerous circumstances that surrounded the postponed meeting more alarming than the circumstances that followed the 1979 serious negotiation attempt between Syria and Iraq, which led to the cooperation charter between them.

The same Arab intellectual who spoke of the urgency of reconciliation felt that the dangerous circumstances that resulted from the Camp David Accords in the Arab arena were not more serious than the present conditions. This is particularly true of the northern front of the Arab region, which is experiencing an increased Israeli threat and "the circle of trouble surrounds both Syria and Iraq particularly following the Iranian occupation of Arab territories, the Faw triangle." The same region is experiencing an increase in religious fundamentalism, the faltering of the American peace plan, and the rise of unknown forces that are affecting Jordan. Meanwhile, the occupied territories are sinking in a sea of judaization, annexation, and cancerous colonization. Chedli Klebi, the secretary general of the Arab League, told AL-HAWADITH that "the delayed meeting is not the first disappointment and the Iraqis and the Syrians bear the full responsibility for the postponement, a responsibility that is primarily of a national nature, not to mention the mutual interests the two parties would be serving by reconciling and starting a new page in their relationship."

A few days after the postponed historic meeting it was announced in Rabat that the meeting of the Arab foreign ministers, which would have paved the way for the anticipated Arab summit, was also postponed while awaiting the resumption of the reconciliation efforts by the Jordanian monarch and his expected briefing of Hasan II and of Chedli Klebi concerning the various aspects of the present situation between Damascus and Baghdad. Moreover, the postponement of the Arab summit led to the suspension of the declaration on Arab unity which would have resulted, it was hoped, from the Arab summit. It was also expected that this (the summit) would contribute to the creation of a unified Arab concept that would assist the superpowers in their efforts to



activate the peace plans necessary to find a solution to the Palestinian issue that is causing unrest in many places.

The Arab nationalist intellectual made this comment following the postponement of the meeting: "Israel will be free to build its strength, which conflicts with Syria's plan to complete building its strategic force. What kind of strategy can be successful (against Israel) if Iraq is not a part of it, and if Iran is fighting Iraq, which is the rampart of the Arab Islamic struggle against zionism?"

Reconciliation not only would serve the national interests of both countries but, more importantly, would also benefit their economic interests. Customs revenues would pour into the treasury in Damascus as a result of the reopening of the Iraqi pipeline, which would financially relieve Syria which is burdened by costly military expenses resulting from its presence in Lebanon and its participation (with the rejectionist states) in the struggle against Israel. The same reasoning applies to Iraq because the reopened pipeline which crosses Syrian territory would relieve Iraq from the economic strain resulting from its war with Iran despite the hopes that are based on the Kirkuk pipeline, whose existence would be threatened by the revival of the Kurdish issue, particularly if Iran fuels it.

Therefore, reconciliation, even in the form of a truce, is also necessary to draw a common plan to exploit the Euphrates River. This was emphasized recently by the World Bank, which refused to finance irrigation projects in Syria unless an agreement was reached concerning the Euphrates River between Turkey, Iraq, and Syria. Meanwhile, Turkey is completing the construction of the Ataturk dam, which will be completed at the end of the 1990's. This will mean a decrease in the water level of the Euphrates and hence the shrinking of the benefits both Syria and Iraq would be able to derive from that river.

To talk about the tripartite relationship between Turkey, Iraq, and Syria would lead us to speak of the problem indicators that resulted from the revival of the Kurdish issue and Iran's exploitation of it which threatens--in case this new front flares up--to lead to the deterioration of the situation and to an increase in the problems engulfing Syria and Iraq, i.e., the Lebanese issue, the Gulf war, the deterioration of the Kurdish problem, and a possible Kurdish-Israeli alliance which has its example in history. All these factors make deliberate reasoning necessary.

Many facts compel one to be optimistic, but the main answer to all the above intriguing questions remain the prerogative of Damascus and Baghdad.

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REGIONAL AFFAIRS

MISSILE INVENTORY OF MIDDLE EASTERN NATIONS OUTLINED

East Burnham AL-DIFA' AL-ISLAMI in Arabic Apr-Jun 86 pp 38-43

[Text] The use of missiles by today's armies is growing constantly. The past 2 years have witnessed major developments in this regard, especially in the Soviet Union and the United States. The Soviets have deployed a modernized series of their air-launched Tomahawk cruise missile and new versions of the SS-25, ASBM-25, SS-B-23, and SS-B23-SLBM missiles. The United States is expected to deploy at the end of this year its new missile, known as the Peacemaker ICMB, to replace the Minuteman missile and the liquid-fuel Titan missile, which will be taken out of service next year.

In the sphere of surface-to-air missiles, we find that the major powers are replacing the types designed in the late 1950's by more sophisticated types, such as the SA-10, SA-11, SA-12, and Patriot missiles. These missiles are beyond the capabilities of the poor countries, which have to rely on the United States or the Soviet Union to supply them with such equipment.

The next few years will witness significant developments in this sphere. The Soviet Union faces the question of modernizing the weaponry of its partners in the Warsaw Pact and it may supply them with new weapons, such as the AA-9 and AA-10 missile and the new generation of SAM missiles. We will also find the United States meeting its allies' requirements for new missiles, such as the Patriot medium-range, air-to-air missile and the MLRS. At the same time, the story of technology exports is interesting.

All the Middle East countries, excluding Israel to a degree, are weapon-importing countries, especially missiles. Following is a list of the weapons possessed by the countries of this area and of the Arab Maghreb, as well as by some important neighboring countries. The list provides approximate figures of the current stores.

1. Afghanistan

The air force has a single air-defense division comprised of 6 field battalions possessing a total of 120 SA-2 missiles and 115 SA-3 missiles. There are 3 squadrons of MiG-21 aircraft fitted with 40 AA-2 missiles of the Atoll variety. It is believed that the Mujahideen forces rebelling against the Kabul regime have a number of SA-7 missiles.

## 2. Turkey

A. Tactical: A total of 18 Honest John rocket systems divided among 4 battalions.

B. Surface-to-air: The air force has eight squadrons with Nike Hercules missiles. Two Rapier missile squadrons are being formed.

C. Air-to-air: There are a number of Sidewinder, Sparrow, and Shafrir missiles.

D. Air-to-surface: There are a number of Blowpipe and Maverick missiles.

E. Surface-to-surface: The navy has a number of Harpoon missiles installed into a single frigate of the Meko 200 class and into five fast attack craft of the (Dugan) class, each fitted with eight missiles. The navy also has Penguin missiles fitted into fast attack craft of the Kartal class, each with four missiles.

F. Anti-tank: TOW, Cobra, and SS-11 missiles.

## 3. Iran

A. Tactical: It has been noticed that a small force of Scud missiles has been used in the ongoing war with Iraq.

B. Surface-to-air: The army has five battalions of Rapier and Tigercat missiles. Despite the drain of the war, the improved Hawk missile is still in service, supported by SA-7 Seacat missiles fitted on a cruiser and four frigates of the SAAM class belonging to the navy.

C. Air-to-air: There is a diminishing store of AIM-9 and AIM-7 missiles for the F-4 and F-5 aircraft. The AIM-54 Phoenix missile may have been used on a small scale in the ongoing war, along with the remaining F-14 aircraft still in operation. If the reports about Iran's acquisition of a number of MiG-21 and F-6 aircraft are true, it is likely that the AA-2 missile is also available.

D. Air-to-surface: The Maverick missile has been used on a limited scale in the ongoing war.

E. Surface-to-surface: The navy has the Sea Killer missile, installed on four frigates of the SAAM class and the Standard missile installed on three U.S.-made cruisers. Iran previously received a number of Harpoon missiles, along with the La Combattante fast attack craft, but these have never been used in the war.

F. Anti-tank: The continued war with Iraq must have consumed a large number of the SS-11, SS-12, (Antac), Dragon, and TOW missiles.

#### 4. Pakistan

A. Surface-to-air: The army has six batteries of Crotale missiles and one battery of Stinger CSA-1 missiles. An order has been placed for 144 systems of the RBS-70 missile. The navy has the Seacat missile fitted into a county class cruiser.

B. Air-to-air: R-530 Magic missiles fitted into Mirage-3 IB and 5-BA aircraft and the Sidewinder missile fitted into the F-16 fighter plane.

C. Surface-to-surface: The CSS-N-2 missile fitted into four fast attack craft of the Hegu class and four boats of the Huangfen class type. An order has been placed for Harpoon missiles.

D. Anti-submarine: The anti-submarine warfare rocket ASROC missile fitted into six destroyers of the Gearing class.

E. Anti-tank: There are a number of Cobra, TOW, and improved TOW missiles in the improved (Helix) and M-109 vehicles.

#### 5. Qatar

A. Surface-to-air: The army has five systems of the Tigercat missile and a battery of Rapier missiles.

B. Surface-to-surface: The Exhaust MM-40 missile is fitted into a number of rapid-assault La Combattante boats. Three batteries of this missile are used for coastal defense.

#### 6. Bahrain

A. Surface-to-air: The army has six systems of the RBS 70.

B. Air-to-air: An order has been placed for 96 of the AIM-9B missiles to be fitted into 6 aircraft of the F-51F type.

C. Surface-to-surface: There are two Lurssen 45M fast attack craft, each fitted with four Exhaust missiles.

D. Anti-tank: An order has been placed for a number of TOW missiles.

#### 7. Kuwait

A. Tactical: A battalion consisting of four systems of Frog-7 missiles.

B. Surface-to-air: Sidewinder missiles in A-4KU aircraft and Magic and Super-530 missiles in Mirage F-1C aircraft.

C. Air-to-surface: The SS-11 and SS-12 missiles may have been fitted into Gazelle and Puma helicopters. An order has been placed for Exhaust missiles to be fitted into the Super Puma helicopter.

D. Surface-to-surface: Four Lurssen TNC 45 fast attack craft and two Lurssen FPB fast attack craft, all fitted with Exhaust MM-40 missiles.

E. Anti-tank: The army has HOT, TOW, and Vigilant missiles. An order has been placed for 4,800 improved TOW missiles.

#### 8. United Arab Emirates

A. Surface-to-air: The army, which is 40,000-man strong, has Rapier, Crotale, and RBS-70 missiles. An order has been placed anew for 42 systems of the improved Hawk missile and for 343 rounds of this missile.

B. Air-to-air: There are two squadrons of the Mirage-5 aircraft equipped with the Mirage R-550 missile.

C. Air-to-surface: There are AS-11 missiles fitted into Alouette-3 helicopters.

D. Surface-to-surface: There are six Lurssen TNC 45 fast attack craft, each equipped with two MM-40 missiles.

E. Anti-tank: The army has a number of Vigilant missiles and an order has been placed for 54 TOW missiles.

#### 9. Sultanate of Oman

A. Surface-to-air: The air force has 2 squadrons armed with 28 units of the Rapier missile and Blindfire radar. The Blowpipe missile has been ordered for the army.

B. Air-to-air: Two squadrons of Jaguar aircraft equipped with Magic missiles.

C. Air-to-surface: An order has been placed for Exhaust AM-39 missiles.

D. Surface-to-surface: There are Exhaust MM-40 missiles fitted into three fast attack craft and Exhaust MM-38 missiles fitted into a fourth boat.

E. Anti-tank: The army has TOW and Milan missiles.

#### 10. People's Democratic Republic of Yemen

A. Tactical: A missile brigade consisting of 6 Scud-B and 12 Frog-7 missiles.

B. Surface-to-air: The air force has a brigade of SAM-2's and the army has SA-2, SA-3, SA-6, and SA-7 missiles.

C. Air-to-air: The AA-2 Atoll missile in the MiG-21 and SU-22 aircraft.



D. Surface-to-surface: There are a number of SS-B-2 Styx missiles fitted into eight rapid-assault Osa II boats.

E. Anti-tank: The air force has a number of AT-2 missiles fitted into MI-24 Hind helicopters.

#### 11. Yemen Arab Republic

A. Surface-to-air: The air force has a brigade consisting of 12 systems of SA-2 missiles. The army has an air defense battalion armed with SA-2 missiles and several SA-7 missiles.

B. Air-to-air: The AA-2 Atoll missile is fitted into MiG-21 and SU-22 aircraft. The Sidewinder missile is fitted into F-5A aircraft.

C. Surface-to-surface: The SS-N-2 Styx missile is fitted into two rapid-assault Osa fast attack craft.

D. Anti-tank: The army has a small number of TOW and Dragon missiles.

#### 12. Saudi Arabia

A. Surface-to-air: The army has two batteries of Shahine missiles. Another order has been placed for 100 systems of this missile. There are also 12 batteries of the improved Hawk missile and the Redeye missile. An order has been placed for Stinger missiles.

B. Air-to-air: The Sidewinder missile is fitted into F-5 and F-15 aircraft. The AIM-7F is also fitted into the F-15 aircraft. Redtop and Fire Strike missiles are fitted into the squadrons of Lightning aircraft still in service.

C. Air-to-surface: The Maverick missile is fitted into F-5 aircraft. An order has been placed for 200 AS and 15 TT missiles to arm 24 Dauphin AS-365 helicopters.

D. Surface-to-surface: There are Harpoon missiles fitted into four corvettes and into nine fast attack craft. An order has been placed for Otomat missiles for coastal defense.

E. Anti-tank: The army has a number of TOW, Dragon, and HOT missiles.

#### 13. Iraq

A. Tactical: Iraq has used units of Scud-B and Frog-7 missiles against Iran. The current store is 9 systems of Scud and 19 systems of Frog-7 missiles, with more available on demand. It has been reported that Iraq also has 15 systems of the SS-12 missile.

B. Surface-to-air: The army has in the field SA-2, SA-3, SA-6, SA-7, SA-8, and SA-9 missiles and 30 systems of the Roland missile. An order has been

placed for Lobo corvettes for the navy. These corvettes will be equipped with Aspide and Albatross missiles.

C. Air-to-air: The AA-2 missile is fitted into the MiG-21, MiG-23, F-6, and F-7 aircraft. The Magic missile is fitted into the MiG-21 and the Mirage F-1 aircraft. An order has been placed for Super-530 missiles to be fitted into the Mirage F-1 aircraft and for AA-6 missiles to be fitted into the MiG-25 aircraft. It is also reported that the Iraqis have AA-7 and AA-8 missiles.

D. Air-to-surface: The AS-39 missile is fitted into Super Frelon and Mirage F-1 aircraft and the AS-12 missile into the Alouette helicopter.

E. Anti-tank: An order has been placed for more SS-11 missiles. The Milan missile is also available, including the variety mounted on the VCR-VTH armored vehicle. The AT-3 Sagger missile, the HOT missile, and the TOW missiles captured in the field are also available. The AS-12 missile is also fitted into a number of BO-105 helicopters, the HOT missile into 10-20 Gazelle helicopters, and the AT-2 missile into the Russian-made MI-24 Hind helicopter.

#### 14. Syria

A. Tactical: A brigade each of the SS-21, Scud-B, and Frog-7 missiles.

B. Surface-to-air: The air defense command has 28 batteries of SAM-2's and SAM-3's, and 28 batteries of SAM-6's and SAM-5's, with a total of 48 launchers. The army has 26 batteries of SAM-2's, SAM-3's, and SAM-6's and mobile units of SAM-7's, SAM-9's, and SAM-13's. The navy is expected to be equipped soon with SA-B-4 missiles, fitted into four Nanuchka class corvettes.

D. Surface-to-surface: The SS-N-2 Styx missile is fitted into six Osa I boats, the MiG-25's with the AA-6 Acrid missile, and the MiG-23's with the AA-7 missile.

E. Anti-tank: The army has a total of 1,300 anti-tank missiles, consisting of a mixture of AT-2 Swatter missiles, AT-3 Sagger missiles, AT-4 Spigot missiles, and Milan missiles. The air force has AT-2 missiles fitted into MI-24 Hind helicopters.

#### 15. Jordan

A. Surface-to-surface: A total of 14 stationary batteries of the improved Hawk missile with a total of 112 rounds at the disposal of the air force. The army has a number of improved Hawk missiles, 200 Redeye missiles, and 20 systems of the Gecko SA-8 missile.

B. Air-to-air: Sidewinder missiles are fitted into F-5 aircraft. It is also believed that the Mirage F-1C carries Magic missiles.

C. Air-to-surface: An order has been placed for Maverick missiles.



D. Anti-tank: The army has in service 250 TOW missiles and 31 Dragon missiles. The air force has placed an order for 24 systems of the TOW AH-1Q.

#### 16. Israel

A. Tactical: There are 130 Lance missiles and an unknown number of Lance launchers and (Ze'ev) missiles. It is reported that the Israelis are developing a missile named Jericho. However, these reports have never been confirmed.

B. Surface-to-air: The air force has 15 battalions of improved Hawk missiles, with an order for 200 more. The army has Redeye missiles and experiments are being conducted in the navy on the (Baraq) missile.

C. Air-to-air: Sidewinder missiles are mounted on F-4, F-5, and F-16 aircraft. AM-71 and 7-F missiles are mounted on F-4 and F-15 aircraft, and Shafrir missiles on Kfir and Mirage-3 aircraft. The Python missile is also available.

D. Air-to-surface: It is well known that the Israelis have Blowpipe, Shrike, and Maverick missiles. To date, the reports about their deploying (Walleye) or the locally manufactured (Luz) missiles have not been confirmed. The locally produced Gabriel-3 missile was introduced into service recently.

E. Surface-to-surface: The Gabriel missile is fitted into six Aliya class corvettes, into nine Reshev class fast attack craft, into one Dvora fast attack craft, into two Flagstaff hovercraft, and into one (Snapperette) hovercraft. The Harpoon missile is found on Aliya, Reshev, (SAAR 3), (Snapperette), and Flagstaff class boats.

F. Anti-tank: The army has TOW, Cobra, Dragon, and Milan missiles. Sagger AT3 missiles (acquired as war spoils) are distributed to the reserve units. The MD-500 helicopters have been armed with TOW missiles.

#### 17. Egypt

A. Tactical: Two brigades equipped with a total of 9 Scud-B and 12 Frog-7 missiles.

B. Surface-to-air: The air defense command has 60 SAM-2 sites with nearly 400 launchers, 50 SAM-3 sites with 240 launchers, and 75 SAM-6 systems. There are also 12 systems of the improved Hawk missile, 16 systems of the Crotale missile (for the army), and 20 systems of the Crotale missile, in addition to the old SAM-7 and SAM-9 (in the navy).

C. Air-to-air: The Soviet AA-2 missile is used in the MiG-21, F-7, and possibly F-6 aircraft. This missile is produced locally now. The AIM-9 missile is fitted into the F-16 and F-4 aircraft, and also as a replacement to the AA-2 missile on the MiG-21. The F-4 aircraft have been fitted with the AIM-7 missile and the Mirage with the R-500 missiles.

D. Air-to-surface: There are a diminishing number of the Kennel AS-1 missile and the Kelt AS-5 missile. These missiles are still used on the TU-16. The presence of Maverick missiles has also been reported.

E. Surface-to-surface: Twenty-four Otomat missiles in Ramadan fast attack craft and 12 in October class boats. The SS-N-2 Styx missile is fitted into four Komar class boats, in addition to two Skary class cruisers. Harpoon missiles are fitted into two F-30 cruisers and HY-2 missiles into six Huangfen fast attack craft.

F. Anti-tank: The army has nearly 1,000 missiles in service and they consist of a mixture of new missiles, such as TOW, Milan, and Swingfire, and old missiles, such as AT-1 Snapper, AT-2 Sagger, and AT-3 Swatter. The air force has HOT missiles fitted into nearly 24 Gazelle helicopters. The TOW missile is now being modernized locally.

#### 18. Libya

A. Tactical: Two missile battalions consisting of 70 Scud-B and 48 Frog-7 missiles.

B. Surface-to-air: The air force has 3 brigades which are capable of deploying 72 SAM-2's and a small number of SAM-3's, in addition to 30 units of Crotale missiles and 5 SAM-5 emplacements. The army has SAM-6's, SAM-7's, SAM-8's, SAM-9's, and SAM-13's. The navy has Albatross and Aspide missiles in the MK-7 frigate and SAM-4's on four Nanuchka class corvettes.

C. Air-to-air: The AA-2 missile is fitted into the MiG-21, MiG-23, and SU-22, the Magic missile into the Mirage F-1I, and the Acrid AA-6 missile into the MiG-25. An order has been placed for Super-530 missiles to be fitted into the Mirage F-1I.

D. Surface-to-surface: The Otomat missile is fitted into an MK-7 frigate, into 4 corvettes of the Wadi class, and into 10 La Combattante fast attack craft. The SS-N-2 Styx missile is fitted into 12 Osa II fast attack craft, as well as into 2 Nanuchka class corvettes that are on order. There are also three Susa fast attack craft, each fitted with eight SS-12 missiles.

E. Anti-tank: The army has several thousand Sagger AT-3 missiles and Milan missiles. It is likely that the store of Vigilant missiles has been exhausted. The air force has a number of AT-Swatter missiles fitted into MI-24 Hind helicopters.

#### 19. Morocco

A. Surface-to-air: The army has air defense units equipped with 30 Chaparral missile systems, in addition to a number of SA-7 missiles. The navy has Aspide missiles fitted into one Descubierta class frigate.

B. Air-to-air: Sidewinder missiles are fitted into F-5 aircraft and Magic missiles into Mirage F-1 aircraft.

C. Air-to-surface: An order has been placed for 381 rounds of the Maverick missile.

D. Surface-to-surface: Exhaust MM-38 missiles are fitted into a single Descubierta class frigate.

E. Anti-tank: The army has Dragon, Milan, and TOW missiles.

8494/9871

CSO: 4504/402

REGIONAL AFFAIRS

BRIEFS

SAUDIS IMPRISON IRANIANS--Iranian opposition sources in Europe have announced that Iranian groups which had traveled to the Kingdom of Saudi Arabia during the Hajj season for the purpose of inciting dissension failed in achieving their goal because of the vigilance of the Saudi security agencies. These sources had indicated that some of these Iranian pilgrims, who are still being held by Saudi authorities, occupy important positions in the Iranian Revolutionary Guard organization. The sources said that among those arrested are the leaders of the Revolutionary Guard organization in some Iranian regions, that they are directly subordinate to Mehdi Hashemi, the head of the Liberationist Movements Department of the Revolutionary Guards and that they take orders from him. [Text] [London AL-TADAMUN in Arabic 13 Sep 86 p 7] /6662

SUDANESE-LIBYAN COOPERATION AGREEMENT--Tripoli, SAFA 11, Al-Tomor 15, JAMAHIRIYAH NEWS AGENCY--This morning in Tripoli, signing took place, an agreement on co-operation between the General People's Committee for Education and Scientific Research and the Ministry of Education in sisterly Sudan. The agreement included co-operation in the field of assimilation of diplomats and scientific degrees in both countries, educational grants and the contribution of building schools and universities in sisterly Sudan. Agreement was also reached on the exchange of visits and experts in the fields of education and scientific research in both countries. The Sudanese minister of education praised the backing Great Jamahiriya extends to its brothers there. He said: "What we have signed today is considered as an introduction to accomplishing unity--unity of brothers in both countries in the framework of the pan-Arab unity which we all look forward to its establishment". [Text] [Tripoli JANA in English 1832 GMT 15 Oct 86 LD] /6662

CSO: 4500/15

ALGERIA

INADEQUACY OF LEGISLATION AGAINST ILLEGAL CONSTRUCTION EXAMINED

Algiers ALGERIE ACTUALITE in French 28 Aug 86 pp 9, 10

[Article by Brahim Tah: "Illegal Construction: The Imbroglia"]

[Text] One year after the promulgation of laws and regulations dealing with the undertaking of illegal construction, one notes that the application of the regularization process is well behind schedule. In any case, the incidence of illegal construction has definitely declined to such a point that as some see it, the state has instituted what amounts to a ban on construction.

The illegal construction problem is not due to chance. In fact, this situation is largely the result of a failure to observe town planning regulations and construction rules. The upshot, as one recalls, was the bulldozing of some illegal buildings because the authority of the state had been purely and simply flouted.

At the same time, such measures had a dissuasive effect on those who, planned illicit construction in contempt of the laws and regulations.

However, tearing down the buildings was not the best solution, because while trying to deal with one problem, another was created, especially considering that the housing shortage continues to get worse each year, taking into account the discrepancy between community needs and production objectively limited by constraints imposed by construction capacity.

Spurred on by the housing crisis, the incidence of illegal construction had reached alarming proportions, and the state found itself confronted with a fait accompli; at that point, the situation had to be dealt with by working out flexible solutions that could be adapted to each special case.

It was with this in mind that the interministerial directive of 13 August 1985 was issued, concerning the expropriation of illegal buildings. After having identified the different kinds of illegal construction, it then outlined adequate solutions to be applied for each type of construction.

These regulations also specified the various agencies that should be responsible for regularization operations at the commune, daïra, and wilaya levels, and also outlined the application procedures with the different stages leading to the final decision concerning illegal buildings. However, one notes that the application of the regularization process is well behind schedule. To get the operation moving, an interministerial directive, dated 14 July 1986, was

sent to the walis with memos for the daïra leaders and APC presidents, pointing out that "the inexplicable delay in implementing the regularization process observed in many wilayas, the long delays in proceeding from one stage to the next, and the almost total absence of any regularization operation that has been completed to this point, 1 year after the appearance of the appropriate body of law, shows quite clearly that this problem whose seriousness everyone was aware of at one time, has once again to some degree been lost from view."

The report included in this interministerial directive exposed the inefficiencies of the local authorities in carrying out the regularization operation, and also showed the need to get the program under way again in order to actually achieve all the stages in the regularization process, and to eradicate illegal construction completely; because the danger remains that further illegal construction will take place. As a matter of fact, by leaving the regularization period open, some citizens may be tempted to build illegally and apply for regularization afterwards taking care to declare that the building was put up before the publication of the measures for the expropriation of illegal buildings.

In actual fact, because the local authorities have shown themselves sufficiently vigilant, this potential danger is unlikely to eventuate. Furthermore, a heavy responsibility weighs on APC presidents in the event of inaction or complicity where an infraction of the law is discovered. In any case, the operation to register illegal buildings is said to be complete, and in theory, no other entry on the list made out by the commune should be accepted. To get a clear idea of the progress of the regularization process, we have chosen two sample communes in which there is a difference in the extent of the delays. Thus in the Birkhadem commune, the problem of illegal construction has come under the close attention of the local authorities. Of the 400 illegal buildings recorded by the commune, 362 regularization applications were filed by the builders at the conclusion of studies by the daïra committee. The success of this preliminary stage was achieved by organizing the builders into union associations.

"Three union associations were set up for this purpose," the APC president of this commune told us, with a syndic over them in charge of supervising the regularization operations, and getting together the various plans necessary for preparing the files.

The first association was created in Djenane Sfarî where there were 62 illegal buildings; the second was set up in Djenane Afia where 100 illegal buildings have been registered, and finally in the area called Kouadi where there were other illegal buildings. In addition, several awareness campaigns were organized on location to inform builders as to the procedure to be followed for regularization to complete the regularization program.

It should be noted that the organizing of illegal builders into union associations was permitted by article 7 of decree No 85-212 of 13 August 1985 specifying the terms for regularizing the right of disposal and occupancy for the actual occupants of public or private lands where there have been activities or construction that fail to conform to current regulations. The associations



are created ex officio by edict of the wali on nonsubdivided sites which include 10 buildings or more with the goal of undertaking and taking responsibility for the study costs and the task of subdividing and developing the building area.

Questioned concerning the future of construction in general, the Birkhadem APC president told us that no new construction permits had been issued since the publication of ordinance No 85.01 of 13 August 1985 and the subsequent regulations; this halt in construction and subdivision permits is due to the saturation of the urbanization area: "previous illegal buildings already present us with a problem," the APC president continued, "and we have asked the CNERU (National Center for Town Planning Study and Research) to incorporate the existing illegal buildings within the new city boundaries."

Illegal construction problems have taken on a new dimension in the Eucalyptus commune (the El-Harrach daïra). There has been a considerable delay in the progress of regularization operations; as a matter of fact, out of a recorded 5,025 illegal buildings, only 630 applications have been filed by the builders for examination.

In this commune, the ratio of illegal construction is the highest compared with the other communes located in the Algiers wilaya because of the availability of land on which to build and its geographical situation (near the El-Harrach diara).

When questioned concerning the obstacles to the progress of the regularization program, the APC president explained to us that the delays in this matter resulted from the paucity of requests by builders for regularization; in this regard, the regularization application must include, in addition to the formalities required by law, the building's site plan as well as the overall building plan; but the drawing up of these plans by approved architects takes a good deal of time, definitely delaying the operation. It would have been more practical to establish a planning office at the commune level to alleviate to some degree the procedural bottlenecks one observes.

As regards new applications for building permits during 1985, out of 81 applications, only 16 building permits were issued after examination in 1986, and only 4 building permits were allocated to builders out of a total of 49 applications made in the Eucalyptus commune.

How is one to explain the allocation of so few building permits? Everything indicates that the preservation of farm land constitutes the main concern of the present legislation affecting town planning and construction because for a long time, concrete has been devouring millions of hectares of nourishing land, and at the present time, such mistakes can no longer be allowed. Then there is the fact that the communes are obliged by the edict of 4 February 1974 to set aside reserves, thus mortgaging part of the urban area, without including public service projects (schools, health centers) for which sites must be provided.

Generally speaking, space is lacking in urban areas and it is for that reason that most applications for building permits are not approved.



It may be noted that such difficulties are frequently encountered in the country's large urban centers, and in the outskirts of the big cities which constitute definite poles of attraction.

If one carries out a close examination of the present situation in construction in a general way, one observes that since the publication of the regulations relative to the expropriation of illegal buildings, there has been a noticeable halt in construction, even that which can be carried out in observance of the laws and regulations.

Things are proceeding as if the government had imposed an absolute ban on construction.

Nevertheless, the laws are clear on the matter, and one has only to conform to the formalities and conditions imposed by decree No 85-211 of 13 August 1985 which sets the terms for obtaining building and subdivision permits, as well as the transfer of land between individuals after receiving authorization from the wali, when the land targeted for construction lies outside the urban area. These provisions are found in article 9 of ordinance No 85-01 of 13 August 1985 laying down temporary provisions for land occupation, in order to preserve and protect them.

However, it is not enough to enact a certain number of laws with the sole aim of seeing that they are observed; there must also be an effective framework for their application.

There would be no point in standardizing building and subdivision permits when few or none are approved. In the past, illegal construction resulted in excessive urban growth, making any reference to a duly authorized town planning program worthless. As a matter of fact, when an application is made to the authorities responsible for approving building permits, it is sometimes impossible for these officials to know whether the planned construction would encroach on agricultural land or a public utility project. This is to say that the difficulties encountered by the local authorities consist in defining exactly what the urban area encompasses because most urban areas are being studied by the CNERU, and the completion of these studies as soon as possible would make things easier. Otherwise the danger remains, even with the full vigilance demanded of the local authorities, of a return to a proliferation of illegal buildings under the pressure of social needs for housing.

Thus, to finally eradicate the incidence of illegal construction, it would be necessary initially to complete all stages of the regularization process within a reasonable amount of time, and this would make it possible to finish construction already begun and put an end to the draining of resources from the public treasury. Secondly, town planning programs should be definitively worked out, and these would inform future builders so as to guarantee a normal situation characterized by the observance of all the regulations instituted in the general interest, particularly the town planning regulations.

9824

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EGYPT

# DIRECT POPULAR ELECTION OF PRESIDENT ADVOCATED

Cairo AL-WAFD in Arabic 18 Sep 86 p 3

[Editorial by Ahmad Abu al-Fatah: "The President of the Republic Must Be Elected"]

[Text] I will never try to renew my term as president. I want to live a normal life. Never. Never. I want to live life like everyone else.

These were President Sadat's words, which he fervently repeated during a single interview that took place after my return to Egypt in 1974. Of course, he proceeded to renew his term of presidency and the affair ended with the farce of his pledge of allegiance as president-for-life.

The misfortune of positions of power is that everyone who sits on the ruling throne clings to it and refuses to give it up.

I had hoped that President Mubarak would respond to sincere calls asking him to change the Constitution and to allow a direct, open, and free election for the presidency regulated by impartial and just rules. The most likely possibility is that President Mubarak, if he nominates himself as a candidate in elections held according to such laws, will succeed in being reelected. Maintaining the current rules for becoming president is the secret of the misfortune of Egypt.

Why?

Let us look at the unique experiment that is taking place in France. It is unique because the president of the republic, Mitterrand, is the head of the leftist Socialist Party and the prime minister, Chirac, is the head of the Liberal Party, which advocates a free economy, i.e., a rightist party. The two leaders, Chirac and Mitterrand, both intend to be nominated for the presidency in the 1988 elections. The two men are in the highest positions of authority and from these positions they are competing to gain the confidence of the majority of the French people. Both Mitterrand and Chirac devote themselves to activities that are aimed at achieving the interests of the French people and each one mobilizes experts who help them successfully serve the French people.

There is an intelligent and great competitive struggle to make the French people happy. The elections are coming up and they are the competition that is imposed by the democratic system by which parties compete to gain the confidence of the people by means of free elections and a serious effort to serve the interests of the people.

No one will achieve the presidency of the French Republic except through the assent and support of the majority of the French people. Therefore, everyone striving to be nominated for the presidential elections competes to satisfy the majority and to convince them that he is the best suited to serve their interests. And we in Egypt?

The leaders reject this system for us in Egypt.

One year before the end of Sadat's presidential term, during the era of the dear late Ali Amin, I began to advocate a constitutional amendment so the president of the republic would be elected directly by the Egyptians and so there would be opportunities for competition for this position. Of course, my opinion did not please Sadat and he became very angry when it was published.

Egypt has been proceeding thus since the revolution of dispossession and plundering, and since the genius of black dictatorship invented 99.9 percent plebiscites, which have placed Egypt among the ranks of the backward nations and which have made its press, people, and leaders the laughingstock of the democratic countries. Since this invention, which shows incomparable stupidity since even prophets could not achieve such a majority--since this invention, the Egyptian regime has become "for life" and then hereditary. As if we had gotten rid of the monarchy in order that an eternal, hereditary dictatorial monarchy could be established!

To whom loyalty?

To whom loyalty? Does the president give his loyalty to the Egyptian people? This is supposed to be the case in democratic countries, but in dictatorial countries, everything is turned upside down.

Black dictatorship has forced the Egyptians to pledge their loyalty to the ruler or else, for who does not pledge loyalty when his fate could be the gallows, flogging, torture, or having his wife, sister, or mother attacked before eyewitnesses? The ruler conducts himself in the affairs of Egypt with impunity and takes palaces for homes or offices. He has vacations whenever he likes, lives in comfort wherever he wishes, and visits other countries in his capacity as president of Egypt in a private plane. The palace of the republic has a special budget that no one disputes and the existence of which no one acknowledges. The limitless privileges go on. For who is in a position to limit the authority of the ruler? Who pays all the bills of the ruler? The people--the people whose will was falsified by a 99.9 percent plebiscite.

The people are asked to work, toil, and pay taxes and the government pursues even those who fled Egypt in an effort to earn a living with various bills.

Either they pay or they are forbidden from entering Egypt--Egypt, which has become the property of those who rule it and the ruler does not grant them even the most basic political rights! This is a strange and anomalous situation.

The Egyptians have not elected the president; his lone nomination took place through the "People's Council," which, as everyone near and far knows, is an artificial council and the results of the plebiscites are known in advance.

Who is satisfied? Since the black dictatorship, Egypt has been living on the principle "carry me and carry yourself." This process of carrying began when the rabble called the "Liberation Rally" and began to applaud the overthrow of educated people and the overthrow of freedom. Its efforts ended with the dismissal of Mohammad Naguib and the installation of the awesome dictator.

It is a regime whose practice of advocating the most abominable kinds of murder and terrorism began with the overthrow of educated people and the overthrow of freedom.

It was natural that the rabble that paved the way for Naguib's dismissal and the accession of Abd-al-Nasir should enjoy sublime approval, since they carried him and placed him on the throne of the Egyptian presidency.

Thus, the regime of ignorant people, enemies of science and educated people, and the rabble, enemies of freedom, began to pillage and plunder the wealth of Egypt. Since that date, the Egyptians have not had the right to nominate people for the presidency of the republic nor had the right to elect the president of the republic. Since that date, the ruler has not come to the presidency through the Egyptians, for he does not need to gain their approval and, worse than that, the Egyptians themselves must submit and pledge their loyalty to the ruler.

Amidst the pillaging, plundering, neglect, ignorance, murder, terrorism, espionage, and falsification, Egyptians have been kept from endeavoring to demand their rights and the ruler has had a free hand and has given free rein to whomever he is pleased with.

This is what we have--debts, trouble, and high prices to the extent that Egypt has become for the first time in history the state to which it is possible to give charity, since the writer, Ahmad Rajab, expressing the sentiments of the Egyptians, says: "The natural way to obtain dollars is export. However, the Egyptian exporter is treated like the most criminal enemy of the state, which places before him obstacles, handicaps, and various forms of torture by describing him as a suspicious person, a smuggler, and a thief. The only explanation for the laxness and indifference in solving the problems of export is that we have forgotten that exportation is the natural way to earn dollars, after having been for a long time used to three other sources of dollars: loans, assistance, and begging."



Loans, assistance, and begging--there is no power and no strength save in God. To those who chant "by the blessed revolution," I present what Ahmad Rajab has said and what other writers not connected to the opposition have said. In the forefront of these writers is Mr Sa'id Sanbal, editor-in-chief of AL-AKHBAR, may God give him health, who said: "We are passing through a critical time."

No one can any longer deny that the three phases of the revolutionary regime have brought Egypt to a phase that cannot be compared to any other in its history. The Khedive Isma'il borrowed, but he spent most of the money he borrowed on Egypt. This was the only time that Egypt incurred debts. Look at Egypt now and see who has benefited from the excessive borrowing and how Egypt has benefited from it.

At no time did Egypt accept assistance; on the contrary, it always assisted other countries and national liberation movements. Thanks to the blessed revolution, we have begun to read that Egypt is living from begging.

Nevertheless?

Nevertheless, Egypt--as it drowns in debts for 200,000 tons of wheat and in 14 percent interest rates on military loans that our "dear friend" America imposes on us as the price for weapons that we all know, as does the whole rest of the world, are weaker than the weapons that it gives to Israel for nothing--is living through the festival of the National Party and the invitation of foreign delegations to participate in the "celebrations" of this party that has been imposed on Egypt.

In the midst of these disasters and calamities that have brought us to the point that one country has announced that we should receive a portion of the sacrifices of the Greater Bairam, we find the Egyptian government inviting the delegations of 80 countries to spend a week or more in consultations and discussions. Consultations, discussions, and the party, when the misfortunes of Egypt are too many to be counted.

Do Egyptian officials not realize that they must exercise care in spending each pound. But why should they be careful, when they do not obtain their authority from the Egyptian people?

When I read about the attachment to the Consultative Council, that attachment that preoccupies Egyptian officials who know that it is an innovation that consumes the money of the treasury that the poor Egyptians fund, and when I read that there was an insistence that elections with open lists be held for this council, I ask myself: Do these people live in Egypt?!

It is possible that they do not read the foreign press, the pages of which are filled with lamentations over the state that Egypt and the Egyptians are in, nor do they read the reports of the state apparatus, the task of which is to relate the feelings of the Egyptians.

Mr Anis Mansur published a letter from an Egyptian in which he said that he cried when he read the news from Egypt in the American press and our government does not cry, but rather celebrates its party.

What consultative council? Oh world, let them spare Egypt's wealth for God's sake. Every country of the world, including rich countries, seeks to limit government spending and to save in the expenses of the army and armaments, and imposes a policy of asceticism on the government, except Egypt. Power to the National Party and misery and poverty to the tens of millions.

But one more time to those who save--to the Egyptians: The Egyptians have nothing to do with those who are in power. The Egyptians must pledge their loyalty rather than have loyalty pledged to them. This is the rule that the revolution of destruction and devastation imposed, is it not?

If We Want Reform

If we want reform, the ruler must submit to the will of Egyptians and this will only happen through an amendment of the constitution, making nominations for the presidency of the republic open and offering Egyptians free and impartial elections.

Question: Will Egypt bear these circumstances for 6 more years?

Six more years during which the wealth of the lucky ones, from the revolutionaries to the favorites of the National Party, will increase and during which the Egyptians will overflow with bitterness.

God, show us all the right path and spare Egypt from the humiliation of begging.

13292/9871

CSO: 4504/6

EGYPT

## ECONOMIC STATUS OF MILLIONAIRES DISCUSSED

London AL-TADAMUN in Arabic 2-8 Aug 86 p 37

[Article by 'Adil al-Jawjari: "A Quarter of a Million Egyptian Millionaires Monopolize the Benefits of the Open Door Era"]

[Text] It has been a whole year since the heated debate in the hall of the Egyptian People's Assembly, between the assembly member and Wafd representative 'Alawi Hafiz and Dr Salah Hamid, the minister of finance. At the time 'Alawi Hafiz said, "The country has 250,000 millionaires at a time when Egypt is looking for a way to pay its foreign debts."

The minister responded by asking about the criteria by which 'Alawi Hafiz arrived at this number of millionaires in Egypt.

The issue of millionaires in Egypt poses itself at two levels, the official and the popular. More than one official has expressed his approval of the existence of millionaires, provided that they adhere to the rights of citizenship, i.e. paying duties and taxes and whatever is due to the state. The people, on the other hand, totally reject the existence of exorbitant riches. As an indication of this, they point to a university student who was able to amass half a million dollars in one year by trading in foreign currency, which is how a large number of people have become millionaires. Investigations of the public prosecutor in July 1984 established that the foreign currency dealer, Sami 'Ali Hasan, made 82 million dollars in 4 years.

At the time, no one believed that Sami 'Ali Hasan was able to finance one of the Ahli Bank's deals, lending tens of millions of dollars.

The strange thing is that these millionaires did not participate at all in the campaign led by President Mubarak to pay off Egypt's debts, which have made Egypt the fifth most indebted country in the world. The logical question here is how was 'Alawi Hafiz able to estimate the number of millionaires in Egypt? The man says, "There are groups and sectors that represent the millionaires in Egypt, the first of which is those who own the big buildings and the apartment towers that are higher than ten stories. Their number is estimated to be 150,000."



"The second group are the import-export companies, of which there are 8,000, and which have handled transactions totaling \$4 billion in the past 3 years."

"The third group consists of those who own large truck companies (10 or more trucks), of which there are 20,000."

"The fourth consists of those who own supermarkets, and they number 30,000. The fifth are those who own the car and spare parts dealerships, and there are approximately 20,000 of these."

"There are also the owners of local branches of international companies, of which there are approximately 30,000 and about 15,000 novelty store owners."

"In addition there are the gold and silver dealers (5,000), to which can be added producers of movies and video cassettes. These number 9,000." According to 'Alawi Hafiz's figures, the number becomes 257,000 millionaires.

Figures of the local city council of Port Said show close to 8,000 millionaires at the forefront of the Port Said economy since the announcement of the open-door economic policy. They carried out a number of demonstrations in March 1985 when the government announced its intention to impose customs duties on certain imported commodities. These businessmen succeeded in convincing the government to go back on its decision.

Members of the local council in Port Said complained about the transformation of the millionaires into a pressure group exerting its control over economic decision-making in the governorate. By looking in official and academic records on Egypt's millionaires, we read these facts:

- In 1975, Dr Rif'at al-Mahjub held the office of chairman of the central committee of the Socialist Union, and in a political discussion, used the expression "fat cats" to refer to those who made their wealth through the open-door policy.

According to the original estimates at that time, there were approximately 500 "fat cats," or millionaires, whereas the number of millionaires before the revolution of 23 July, 1952 was only four.

- An economics professor at the University of Cairo, Dr Jawdah 'Abd-al-Khaliq, asserts that the Arabs did not have the word "millionaire" in their political and economic lexicon, despite the wealth of the merchants of the Arabian peninsula before Islam. When the Muslims entered Persia and saw the incredible riches there, they said "a thousand thousands."

The word "millionaire" came in the last century with the French campaign, and is French in origin.

- Dr Mustafa Kamil al-Sayyid, professor of political science at the University of Cairo, distinguishes between the millionaires of yesterday and the millionaires of today. He says:

"Before the revolution, there were four millionaires: Muhammad Farghali, Ahmad

'Abbud, 'Ali Yahya and Ibrahim al-'Attal. They benefited from the climate of interaction with the British colonial forces in Egypt before the revolution."

"Some of the open-door millionaires are drug dealers and foreign currency traders and have benefited from the open-door climate and the freedom to import and export in order to acquire wealth illegally, so that their numbers rose considerably."

- There is a kind of millionaire, whom Dr Isma'il Sabri 'Abdallah describes as "millionaires in spite of themselves," i.e. wealth fell down to them from the sky, perhaps due to the housing crisis or the rise in the price of real estate.

It should be mentioned here that not all millionaires are open-door thieves, since a large percentage of these people became wealthy by legal methods, of which perhaps the most important is long years of work abroad, or those who inherited enormous plots of land from their fathers and then sold them at exorbitant prices in the very tight market for land and real estate.

The absolute number is not the problem, says Dr Jawdah 'Abd-al-Khaliq, but the implications of the numbers are more serious. The 20 percent at the top of the income scale get 50 percent of the national income, whereas the people in the lowest 20 percent get 5 percent.

12727

CSO: 4504/408

EGYPT

EXPATRIATE WORKERS FIGHT ASIAN COMPETITION

Paris AL-MUSTAQBAL in Arabic 9 Aug 86 pp 42-43

[Article by Yusuf al-Qu'ayd: "Foreign Workers in the Gulf: Competition Between Asians and Egyptians"]

[Text] "Threat of Foreign Workers to the Arab Region and Their Competition for Egyptian Workers."

This long heading was the title of a long study completed recently by the National Council for Social Services and Development, one of the specialized national councils in Egypt under the office of the president. It was founded during the period of Anwar al-Sadat and is headed by Dr Muhammad 'Abd-al-Qadir Hatim and counts among its members a large number of experts in all areas of specialization in Egypt.

This study comes at a time at which Asian workers have come to represent two threats. The first is for the Arab countries in which they arrive, for the most part those in the Gulf. The second threat is the competition for the Egyptian workers in these Gulf countries at a time in which Egypt can no longer afford such effects. Income from oil, tourism, and the canal has been shaken by violent shocks, and one of the remaining hopes is the remittances of Egyptian workers abroad, most of them in the Arab countries.

This important study says that the influx from the countries of Asia to the Gulf region has led to the following:

- Countless problems have been created for Egyptian workers in these countries.
- It has taken place in a way that is unprecedented in any of the previous migrations.
- The workers arriving from these countries constitute the overwhelming majority of the work force.
- They are penetrating all areas of economic and commercial life.
- In some of the Arab countries their numbers have reached three times the

number of original inhabitants, as in the case of the United Arab Emirates, as a frank study by the University of the Emirates indicates.

By way of illustrating the suddenness of the phenomenon, the numbers indicate that in 1975 these workers numbered 262,772 and constituted 42 percent of the work force in the region at that time. But the number has now jumped to 2.5 million, of which 200,000 are Koreans alone.

The reasons for this phenomenon are:

1. The dominance of the private sector in most of these Gulf states.
2. The private sector aims solely to achieve the largest profit with the least expenditure and is not concerned at all with the social or political issue.
3. Workers coming from certain countries of Asia, especially India and Pakistan, can work under any conditions, for the smallest possible pay.
4. The general inadequacy of the local Arab labor market in the Arab countries.
5. Substantial restrictions by some Arab countries on the use of Arab workers.
6. The existence of many very skilled labor brokers in many Asian countries, as well as the total precision of their work.
7. Arab workers have not experienced industrial development and cannot manage social and economic development operations with the same skill as the workers coming from Asia.
8. Arab agreements pertaining to the use of Arab workers have until now remained ineffectual.

Ten years ago the entire region knew no Asian workers other than Indians and Pakistanis, but the employment agencies have brought in many other kinds to this labor market.

The United Arab Emirates is at the head of the list of Arab countries using Asian workers, followed by the sultanate of Oman, where they represent 80 percent. The large reduction in the number of these workers has occurred in Iraq, which has decided to allow Arabs to enter without a visa.

Egypt and Qatar had concluded a worker exchange agreement in 1974. Therefore, the largest group of Arabs in Qatar is from Egypt, numbering 26,344 and representing 12.4 percent of the total work force arriving in Qatar. Despite this, Egypt is still the third labor force in Qatar, after India and Iran, even though the Egyptians with their families represent the largest Arab group in Qatar. The reason is that they total 32,000, whereas there are 9,000 Asians working just as domestics.

The study says that this situation holds many dangers for the Gulf region. These are:

- Population dichotomization.
- Foreigners represent the majority and the natives represent the minority of the residents.
- Weakening of the Arab ethnic component in this region, which is an important and sensitive one for all Arabs. This weakening occurs with regard to the number of inhabitants and control of economic activity. The study offers many examples of this. In the United Arab Emirates, for example, there are 157,000 original inhabitants and 411,000 who have come from abroad.
- The rise in the number of unmarried individuals among them has a negative effect on the structure of the society itself and on its values, customs and traditions.
- New arrivals represent 35 nationalities, comprising different religions, numerous languages and incompatible customs. This ends up creating a constant state of social tension.
- Some of the poor among them (especially those from India and Pakistan) live in special areas by themselves that become belts of misery surrounding the Arab cities. Then the contagion spreads quickly to the heart of these Arab cities themselves.

There remains the threat of these workers to the Egyptian workers. The study takes the special case of Kuwait, where in 1975 Arabs represented 70 percent of those arriving in the Gulf, of which 50 percent were Jordanians and Palestinians, 15 percent Egyptians and 10 percent Iraqis.

In Kuwait the Egyptians were first, then fell behind recently due to the competition from Asia because of its proximity to the Gulf and because these workers are familiar with English, which gave them an advantage with the Asian companies that are carrying out most of the projects on a turnkey basis.

In 1983 there were 86,000 new arrivals in Kuwait. The statistics indicate that 60.5 percent of them were Asian workers, 36.5 percent were Arab workers and 3 percent of the new workers came from America and Europe. Two-thirds of the workers coming from Asia though, were from India and Pakistan. The Egyptian workers arriving that same year numbered 29,202. Workers from India and Pakistan represented 15.1 percent each and 10.12 percent from Bangladesh. The study ends - as all Arab studies generally do - with a number of recommendations that do no more than add to one's anxiety.

But this important study lacks another element, which is that the threat of workers arriving from Asia does not just stop at the borders of the Gulf countries, but goes beyond them to Egypt itself. For in Egypt there are now construction workers, domestics, hospital nurses and language teachers arriving from Asia, at the same time that Egypt is exporting these same workers abroad at lower pay and worse conditions, and then turning around and bringing in the same workers from Asia. This aspect should have merited an important place in this study.



LIBYA

IMPUTATION OF TERRORISM TO LIBYA BY UNITED STATES DENOUNCED

Tripoli AL-JAMAHIRIYAH in Arabic 5 Sep 86 p 1

[Cartoon]



Key:

1. Hello Boss, we've arrested a "terrorist"; all the evidence indicates that he's "Libyan." After we "prepare him" we will present him to the press.
2. American intelligence

LIBYA

BRIEFS

DOCUMENT EXCHANGE WITH USSR--Moscow, Shahr al-Tomor 6, JAMAHIRIYAH NEWS AGENCY  
--An exchange of consulate documents was conducted yesterday in Moscow between Great Al-Jamahiriyah and the Soviet Union. These agreements were concluded between the two friendly countries during the visit paid by the leader of the revolution to Moscow in Al-Tomor month last year. [Text]  
[Tripoli JANA in English 1436 GMT 6 Oct 86 LD] /6662

CSO: 4500/15

MAURITANIA

NATIONAL SECURITY DIRECTOR ON 'CRIMINAL' INCIDENTS

LD120040 Nouakchott Domestic Service in Arabic 2030 GMT 11 Oct 86

[Text] Colonel Ali Ould Mohamed (Fal), member of the Military Committee for National Salvation and director general of national security, spoke this evening before the press about the criminal practices that have recently been carried out against some public and private properties. He said that those who committed these actions will face the severest punishment. Following is a report on the national security director general's statement:

[Unidentified correspondent] It was recently reported that few cars were burned. What is the truth of the matter?

[Fal] The interior minister, in his statement on 10 September, noted the existence of intent to use violence. Since that date and particularly since 24 September, a gas station and a drug store belonging to a citizen were demolished. On 9 October, three cars belonging to the state were burned. The incident could have caused the suffocation or burning of [words indistinct] where the cars were parking. Today a factory has been burned in Nouadhibou. Thus, you can tell that neither public nor private nor even the lives of women and children are safe from these criminal hands.

[Unidentified correspondent] Mr Director General, what is your opinion of such deeds?

[Fal] The least one can say is that these criminal deeds and the philosophy behind them are completely alien to our society and run contrary to the norms and values of the peoples of the region. Under no circumstances will we let foreign and internal ambitions in Mauritania create violence in this country. At any rate, the criminals will face the severest punishment and the security of individuals and property will be protected and ensured.

/12232

CSO: 4500/19

MAURITANIA

POLICE OFFICIAL ON WAVE OF ARSON, TERRORISM

AB121246 Nouakchott Domestic Service in French 0730 GMT 12 Oct 86

[Statement by Captain Alioune Mohamed Baye, the director general of national police, to the national press following the current wave of criminal acts and arson in the country, made on 11 October, place not specified--recorded]

[Text] In his statement made on 13 September, the minister of interior mentioned certain cases of (?deliberate) acts of violence. Since then a gasoline station and a pharmacy belonging to some citizens were ransacked on 24 September. On 9 October, three government vehicles were burned, even at the risk of suffocating or killing by fire the members of the families in whose homes these vehicles were. Today, a factory has been burned down in Nouadhibou. You will therefore understand that these criminal hands spare neither public nor private property nor even the lives of children and women. The least that can be said is that these acts of banditry and the underlying philosophy are completely foreign to our society and contradict its values and the values of all the peoples of the region. We will not allow terrorism, with internal or external (?designs), to exist in our country, Mauritania. Criminals will be severely punished and the security of persons and properties will continue to be guaranteed no matter what.

/12232

CSO: 4500/19

MOROCCO

BRIEFS

MOROCCAN REQUESTS POLITICAL ASYLUM--The Spanish News Agency EFE reported that a Moroccan youth named Youssefi Hocene, 22, requested the Spanish authorities to grant him political asylum. The Spanish News Agency states that the youth had been sentenced to 10 years in jail because of his collaboration in the 1984 Nador riots. After entering occupied Mellila, the youth headed toward the Spanish newspaper headquarters, and from there, to the police headquarters, where he filled out documents requesting political asylum. The youth told police that he was arrested after the Nador riots and was sentenced to 10 years in jail. The Court of Appeals upheld the sentence. It is not known if the youth escaped from prison or if he had a temporary release. [Text] [Rabat AL-'ALAM in Arabic 25 Sep 86 p 1] /6662

RURAL COOPERATIVES STATISTICS--The Ministry of Planning's office of cooperative development published the third issue of the statistical report on cooperatives. This issue consists of 50 pages dealing with structural, humanitarian and financial aspects of the cooperatives, in addition to special information pertaining to agricultural, traditional handicrafts, and educational cooperatives. This publication contains 37 charts and 10 diagrams which show the cooperatives' geographical location, activities, basic functions, and legal status. This is in conjunction with details of statistical studies conducted during 1983, which are still in conformity with current data, since 1984 and 1985 were designated for the legal and administrative adjustment for the cooperatives. According to the report, out of 3,049 cooperatives, the agricultural sector, which includes agrarian reform, represents about 83 percent of the communes, followed by the traditional handicrafts cooperatives with 10.6 percent. This means that the percentage of the remaining sectors, except the housing cooperatives which represent 3.1 percent, does not exceed 3.6 percent of the total number of all cooperatives. With regard to the geographic distribution of cooperatives established since 1967, the central economic region has a volume of 24 percent, the northwest region has a volume of 23 percent, and the eastern region has a volume of only 3 percent. The remaining regions, which include the south, [Oued] Tensift and the southern and northern-central regions, have an average volume of not more than 10-13 percent. [Text] [Rabat AL-'ALAM in Arabic 2 Oct 86 p 3] /6662

CSO: 4504/21



JORDAN

#### FUTURE OF INDUSTRIAL SECTOR ASSESSED

'Amman AL-IQTISADI AL-URDUNI in Arabic May 86 pp 4-15

[Article: "The Dossier On Jordanian Industry"]

[Text] In order to become acquainted with Jordanian industry and to shed more light on its status and future horizons, AL-IQTISAD AL-URDUNI met with Minister of Industry and Trade Dr Raja'i al-Mu'ashshir, President of the 'Amman Chamber of Commerce 'Isam Badir, Director General of the Natural Resources Authority Engr Kamal Juraysat, Director General of the Jordanian Phosphate Company Wasif 'Azir, and Director of the Planning Ministry's Research and Studies Department Dr Kamil Shuhaitit, to inquire into the concerns, problems and future of the country's industry.

Minister of Industry, Trade and Supply Dr Raja'i al-Mu'ashshir

Speaking of industrial development in Jordan, Minister of Industry, Trade and Supply Dr Raja'i al-Mu'ashshir said that during the Seventies the Jordanian economy achieved a series of remarkable successes and outstanding accomplishments in its development. For example, from 1975 to 1982, the real growth rate for overall local production averaged 10.4 percent, by virtue of His Majesty the King's wise leadership and the presence of suitable local conditions--internal stability combined with a strong desire to develop, grow, and exploit the available human and natural resources through deliberate economic and social planning.

Jordan has also clearly benefitted from the economic revival in the Arab world, which began with the rise in oil prices in 1974, when Jordanian exports of goods and services rose and remittances by expatriate Jordanian workers, along with Arab aid to Jordan, increased.

In the early Eighties there appeared signs of a world-wide economic recession, the effects of which were clearly mirrored in the strength of the Jordanian economy since 1982. The growth rates for most local economic indices

have fallen compared to what they were during previous years. The most obvious negative repercussion has been the downturn in Jordanian exports of goods and services, the sudden decrease in Arab aid, and the noticeable drop in the growth rate for remittances by expatriate Jordanian workers.

The minister stressed that the real growth rates for the Jordanian economy dropped to about 4 percent during 1984, and that over the past few years Jordan's development has been rather sluggish.

These effects are clearly embodied in the course of industrial development in Jordan and in the accomplishments of the industry and mining sector in the past few years. During the first 5-year plan, 1976-80, the Jordanian industrial sector achieved high growth rates, with this sector's income rising, in current prices, from 64 million Jordanian dinars in 1975 to 154 million dinars in 1980, at a yearly growth rate of 23.3 percent. The number of workers in this sector rose from 27,000 to 40,000 during the plan itself, and this sector's contribution to the gross national product increased from 18.7 percent to 24.1 percent during the same period.

#### Government Policies

The minister said that government policies for supporting local industry rest on the following points:

1. Providing the various kinds of protection needed for local industry, in order to give it a relative advantage over imported goods, thus enabling it to expand its markets and providing it a good opportunity to improve its level of performance with respect to production, costs and marketing;
2. Reviewing the policy on licensing new industries, so as to take into consideration the need to encourage and direct industrial investment towards the desired fields, particularly those which use local raw materials, employ Jordanian manpower, and whose products will replace imports or have high export potentials, and to steer investment away from areas in which local production exceeds the needs of the local market;
3. Conducting comprehensive industrial surveys by sector, in order to obtain adequate, up-to-date statistics on the various aspects of industrial activity, in order to assist licensing and protection decisions;
4. Drawing up an industrial law for Jordan which would soundly regulate its activities, including licensing, protection, assignment of responsibilities, and adherence by national industrialists to specifications and standards;
5. Offering more incentives, such as tax exemptions and the like for various kinds of investment;
6. Making room for Arab and foreign investors to participate positively in Jordan's comprehensive economic and social development efforts;

7. Amending the investment incentive law now in effect in Jordan so as to include more sectors and to make it possible to attract more local investment and Arab and foreign capital;
8. Drawing up strict specifications and standards for most of the nation's industries, particularly those which enjoy some sort of protection, and tightening control over local industries to ensure that their products conform to local, Arab or international specifications and standards;
9. Stressing the importance of specifications and standards in improving the quality of production, and the importance of applying modern technology so as to help reduce production costs and make local goods more capable of competing on foreign markets; and
10. Preparing an amendment to the specifications and standards law in order to improve the existing law and to change the ministry's specifications and standards directorate into an independent national organization.

#### Government Measures

The minister explained that the government has adopted several measures and decisions in this regard, the most important being:

1. Protecting local industries by providing specific conditions such as
  - a. Trade barriers--the import of 33 commodities has been forbidden, because local production is sufficient in quality and quantity to meet the local market's needs;
  - b. Customs protection--customs duties on 141 items covering most of the industrial sectors have been adjusted, duties on finished products have been increased between 1 to 30 percent, and duties on raw and intermediate materials have been reduced between 1 to 15 percent. Several raw goods have been exempted from customs duties in order to reduce production costs and improve the competitive stance of local products;
  - c. approval for some industries--seven locally-made goods have been added to the list of approved goods, bringing their number up to 48.
2. Providing a wider market for the products of national industries by issuing government directives to all civilian and military consumption organizations to give local products priority and preference when procuring their needs, even with a 15 percent price differential;
3. Placing all protected goods under government control with regard to prices, quality, conformity to specifications and standards, and suitability for the Jordanian market, so that protection will not be at the consumer's expense;
4. Granting various incentives to encourage national exports, as for example income tax exemptions graduated according to the ratio of exports to total yearly sales, and simplifying export procedures in areas pertaining to transit and the issuance of export permits;

5. Instituting an export promotion program which will encourage imports from countries which have traditionally been considered markets for Jordanian exports and thus tip the trade balance in Jordan's favor, concluding mutual deals with other countries and implementing them directly or through a third party, reviving the Trade Centers Organization's role in developing and insuring Jordanian exports, establishing Jordanian trade fairs and centers in other countries, and launching an overseas advertising campaign in order to acquaint people with Jordanian products and promote them in old and new markets;

6. The government, acting through the Ministry of Industry and Trade, has held several joint committee meetings to revive and renew trade and economic protocols and to sign new economic and trade exchange agreements. It has also established several joint companies and set up exhibits of Jordanian products in international fairs.

7. Rectifying conditions in several hard-hit companies after studying whether they should voluntarily go out of business, restructure their capital, or merge with other companies. Whereas it was decided that the wood factory should shut down voluntarily, approval was given to increasing the capital of the Jordanian Glass Factory Company, the Arab Potash Company, and the Jordanian Tourism and Mineral Water Company, and to the purchase of the Jordanian Fertilizer Company by the Jordanian Phosphate Mines Company;

8. Issuing directives showing guidelines, bases and incentives for corporate mergers as a problem-solving method. In this connection, several insurance, investment, industrial and cement companies have already merged. The final draft of the revised Jordanian corporate law is being discussed prior to its submittal to the cabinet for ratification;

9. On 8 March 1986 the government issued a regulation facilitating investments by Arab nationals, in order to attract Arab capital to invest in the Hashemite Kingdom of Jordan. This regulation puts the Arab investor who is a citizen of an Arab country on an equal footing with the Jordanian investor when it comes to investing funds in industry, tourism, education, real estate investment, purchasing shares, and investing in treasury notes and Jordanian loan notes. Furthermore, Investment Encouragement Law No. 6 of 1984 will be amended to include more sectors and increase its ability to attract more local, Arab and foreign capital.

The ministry has also drawn up a first draft for an industrial law for Jordan, to regulate licensing, protection, and support, and to clarify industrialists' responsibilities and commitments towards specifications and standards. Also, the income tax law has been amended to help out the industrial sector, raising the lower limit for tax-exempt income, expanding the tax brackets, and reducing the maximum percentage for tax on profits to 38.5 percent instead of 43.5 percent. All of this is aimed at creating a more suitable investment environment.

President of the 'Amman Chamber of Industry 'Isam Badir

President of the 'Amman Industrial Chamber 'Isam Badir, reviewing the situation and future horizons of the Jordanian mining industry, said that Jordan has

tended to develop the mining industries according to several main approaches, the most important being that since these industries provide basic raw materials for Jordan, the added value of these kinds of economic activities exceeds that of many other industries. Therefore, Jordan has worked to increase its production of phosphate, which has for a long time been rightly considered one of Jordan's most important national exports. He said, "We have been successful in this field, and have been able to take third place among phosphate-exporting countries. Therefore, it is only natural for us to further this trend with respect to potash and chemical fertilizer." However, changing world economic conditions and the drop in prices for raw goods and materials on the international market has raised some problems for these industries. But this does not mean that they have become disadvantageous; he said, "I believe that these conditions are temporary, and that sound economic logic must prevail in the end."

Referring to government measures to deal with the industrial slump, Badir explained that the authorities have studied the problems besetting the mining industry in Jordan, and voiced his belief that the steps which have been taken may help alleviate the critical conditions through which this sector of Jordanian industry is passing. The merger of the chemical fertilizer company with the phosphate company can be considered a kind of integration of Jordanian industry, and will to a certain extent help lighten many of the fertilizer company's administrative and financial burdens. Furthermore, the potash company's management is now trying to increase the efficiency and effectiveness of its administrative, technical and marketing agencies, and thus this company can be expected to overcome its difficulties in a short time.

As for the Industry and Trade Ministry's role towards these companies, he said, "I believe that the officials are giving these companies their full concern, since they are among our most important national investments, and require continual follow-up and coordination."

As to whether Jordan should be a regional headquarters for trade and services, Badir stressed that Jordan occupies a unique geographical position which qualifies it to become a regional center for trade and services, especially now that the economic infrastructure is complete and all the means of supporting such a center are available.

"The government has taken several steps which have helped promote this trend, Free zones have been set up, and the investment law has been reviewed. If we add all this to the laws and regulations now in force, particularly in the areas of currency transfer and handling Arab investments in real estate and industry, we see that there is a significant basis for developing this trend.

"Even so, I believe that it is not enough for us to pass laws and adopt encouraging decisions; we must sell these ideas overseas among the international companies involved in such matters. It would be great if a special strategy could be adopted, in cooperation with our embassies abroad, to inform as many international industrial companies as possible of the new investment climate in Jordan."



Badir added, "Finally, we at the chamber of industry feel that no matter how successful we are in the field of trade and services, we still must give particular attention to the production sectors, including industrialization and development of the industrial sector, since this sector will be the focal point for long-range economic development in any economy. In fact, we feel that the production and the services sectors complement each other. The intricate connection between the two makes it hard to adopt any strategy which does not take both these sectors into consideration in a comprehensive, integrated manner."

Commenting on the proposed import-export company, Badir mentioned that the Jordanian private sector accounts for most of all foreign trade operations, whether import or export. "It is only natural for this sector to gravitate towards those markets which offer suitable conditions, from the standpoint of quality, price, and consumer acceptance of the products of various countries. This fact has led to a disturbance in Jordan's balance of trade with several countries, be it negative or positive. Given the methods they now have, the authorities cannot direct Jordanian foreign trade so as to achieve some sort of balance in foreign dealings, particularly in the interest of some countries which cooperate with us and import suitable quantities of our national exports. Therefore, the basic goal in setting up such a company is to support our national exports in their traditional markets by means of mutual trade. The officials have assured us that this new company will not replace or compete with the private sector.

"In turn, we at the chamber of industry have stressed that the private sector must have the first and foremost role in owning and managing this company, and we have continually emphasized this principle. I believe that creating such a company will be one way of developing markets for our mining and extracting exports such as phosphate, potash and fertilizer. It will also be the commercial arm of that government sector involved in implementing trade agreements concluded with countries which have favorable economic systems."

As for the medium- and small-scale conversion industries such as engineering, chemicals and foodstuffs, Badir explained that they are suffering from many difficulties which the chamber is studying and preparing various memorandums on for submission to the proper authorities.

"Our enlightened government has responded to several of the chamber's proposals. Even so, we still believe that even though these difficulties are the result of unfavorable economic conditions affecting the Jordanian economy in general at the present time, they can still be overcome as soon as these conditions disappear. However, many measures could be taken on the local level to help Jordanian industry resist these unfavorable circumstances, and we have explained these as well in our various memorandums to the officials."

Director General of the Resources Authority Kamal Juraysat

Reviewing the situation in the mining industries, Engr Kamal Juraysat said, "Our country's mining industry is the biggest, most advanced industry in Jordan, and requires huge capital investments and long periods of time, as well as

many highly-skilled workers, before any production returns are obtained. We can safely say that this industry is one of the main props of the Jordanian national economy."

Juraysat added that the most important mining industries now in existence are phosphate, potash, various kinds of cement, porcelain clay, glass, mineral wool, building materials, and various industrial minerals such as dry clay, gypsum, and lime. The Resources Authority supervises the discovery of such minerals and estimates their reserves.

Engr Juraysat stressed that the state, realizing the importance of primary raw materials and the important role they play in industry in general, set up the Resources Authority in 1965, staffed it with trained, specialized national cadres, provided it with up-to-date methods, and commissioned it to handle all prospecting operations leading to the exploitation of available natural resources for local industries and for export purposes. He pointed out that the authority helped lay the cornerstones for some of these industries, and also helped existing ones by finding new raw materials and more reserves and making more of them available. Several industries came into being as a result of the authority's efforts, such as white cement, porcelain, glass, mineral wool, lime, and brick. The authority also helped the phosphate industry by finding six new phosphate deposits between Jaraf al-Darwaysh and al-Qatranah, which hold an estimated 1 billion tons of reserves. In 1974 the authority discovered large quantities of phosphates in the al-Shaydiyah area, amounting to about 1 billion tons of high-grade phosphate, which fueled hopes that these and related industries would carry on for a long time. Geologic studies also indicate that the Dead Sea's reserves of various mineral salts amount to about 43 billion tons, which has encouraged the Arab Potash Company to exploit some of these salts and has given hopes for the company's future expansion projects.

Deteriorating world economic conditions because of the 2-year recession have affected the mining industry in Jordan and in most developing countries. This has led to many marketing problems due to the disturbance in supply and demand and fluctuating prices, a situation which has negatively affected productivity and economic returns.

Juraysat stressed that the authority's basic duty to Jordanian industry is to provide primary raw materials in sufficient quantities to ensure the industry's continuation, by providing fixed reserves of such materials and by prospecting for more raw materials having better specifications.

#### The Future of the Mining Industry

As for the future of Jordan's mining industry, Juraysat has voiced his hopes that new industries will be established in coming years in light of recent discoveries of raw materials as a result of the authority's unceasing efforts. For example, oil-bearing rock is present in vast quantities, with reserves of more than 40 million tons in central Jordan alone, in addition to large quantities in most other parts of Jordan. It could be used as an

alternative source for oil, for generating electricity, and in some other industries by direct burning. In addition there is feldspar, which is used in the porcelain and glass industry, and [tripoty], which is used in paints, chemical cleaners and automotive paints, travertine, which exists in vast amounts and is used for decorative purposes in the building industry, and heat-resistant clay, brolomite, and granite, which are used in the construction industry.

Juraysat explained that it is hoped that a national industry can be set up to exploit the copper ore in Wadi 'Arabah, as soon as world conditions permit that from the standpoint of price. Such an industry would be economically feasible, since our reserves of this substance are estimated at 55 million tons, with a 1.3 percent copper content, which would justify establishing this industry.

Director General of the Jordanian Phosphate Company Wasif 'Azir

Director General of the Jordanian Phosphate Company Wasif 'Azir has this to say of the status and future of the mining industries: "The Jordanian mining industry is the backbone of economic development, and enjoys the major part of all investments in the country, at least over the past 10 years and perhaps until the end of the century."

He added, "I am speaking of the mining industry as a whole, be it phosphates and phosphate processing, potash and potash processing, or mining industries related to raw materials for fertilizer or other raw materials present in Jordan. In the past, overall investments in this industry have totalled more than US\$1 billion."

'Azir pointed out that these investments have included phosphates for the Arab Potash Company's cement plants and its various related production operations, phosphate mining in al-Wadi al-Abyad and at the al-Shaydiyah mines, and the al-'Aqabah fertilizer plant which manufactures Jordanian fertilizer, in addition to other investments such as the Arab Mining Company, which processes mineral ores such as industrial-grade gypsum and the like.

#### A General Evaluation

'Azir stressed that Jordan is a leader in the potash industry, and that the Jordanian mining industry is considered quite advanced by any standard, whether from the standpoint of the methods used to extract the potash, for example, or in the mining and processing of phosphate ores, which is done according to the most modern methods followed in the developed countries. This puts the industry on an advanced level in all areas of industrial and mining work.

'Azir said, "In evaluating the mining industry, we must mention its labor-intensive methods, which employ a great many Jordanian workers. Even though modern processing relies increasingly on machinery, thus leading to less employment, the mining industry and its off-shoot industries still intensively employ Jordanian manpower, and are therefore an area for employment in the future as well."

## A Source of Hard Currency

'Azir pointed out that the mining industry is basically considered a source of hard currency rather than an area in which hard currency is spent. He pointed out that other industries, such as the tourism industry, bring in foreign currency, but the tourism industry's lack of hard foreign currency causes the final return to be less positive than that yielded by the mining industries. The same can be said of Alia Airlines; even though it provides the country with foreign currency, it spends more than it brings in. Thus, the mining industries are a basic source of foreign currency, enabling us to import what we need to meet our consumption and investment requirements.

'Azir explained that an evaluation of the Jordanian mining industry shows that it is basically in a favorable position for economic development in general, including developing manpower employment, bringing in foreign currency, and exploiting the nation's resources to achieve the general social welfare.

## Stumbling Blocks For the Mining Industries

'Azir explained that Jordanian industry, including the mining industries, have faced many hardships and difficulties. In this connection, we must cite two basic industries, the fertilizer and cement industries, both of which have faced difficult, complicated financial problems which have led to considerable losses for both industries as a result of upheavals in world markets at a time when foreign markets were generally believed to be favorable.

'Azir added that what has happened is that the market for these industries, particularly for cement, has shrunk considerably, and cement and fertilizer industry prices have fallen, which has caused these two industries to run into problems at the present time.

"In order to deal with both industries' problems, the government has taken steps to contain the crisis and develop these industries. I am convinced that the steps which the government has taken are appropriate and necessary, and that cement industry projects must be merged together, whether we agree with the methods used or oppose them. This action on the part of the government is only one way of dealing with the crisis, and is not the full solution for saving this industry. There is a general tendency to use the cement industry's production, except for that exported according to agreements with Egypt, Saudi Arabia, or other neighboring countries, by increasing its local uses; for example, local cement is increasingly being used in road construction."

As for the fertilizer industry, 'Azir said that world markets have affected this industry, as well as the potash industry, from the standpoint of price and demand. Both industries have suffered significant losses, perhaps 48 million dinars for the fertilizer industry and about 34 million dinars for the potash industry as of mid-1986.

'Azir added that in spite of both industries' accumulated losses, there is great hope that the recently-adopted measures will change this situation. At present the Arab Potash Company is increasing its production, in spite of the drop in world potash prices. However, this company is expected to achieve revenue-expenditure equilibrium some time next year.



## The Fertilizer Company

Speaking of the fertilizer company, which was made a subsidiary of the phosphate company this year, 'Azir said, "We in the phosphate company were in a position of being forced into it, in the sense that the company was not purchased and merged with the phosphate company out of any desire on the part of the phosphate company, even though as an industry the fertilizer company complements the phosphate company. The transaction was due to the major financial hardships and huge losses suffered by this industry, which made things hard on the shareholders, who include a group of non-Jordanians holding about 30 percent of the capital who are incapable of facing these problems and don't want to."

'Azir added, "The solutions proposed at the time for affiliating the fertilizer company with the phosphate company seemed unfavorable, which led the phosphate company to adopt a certain stand. However, following a detailed study of the company's financial position, and because the phosphate company owns about 25 percent of the company's capital, we felt it would be better for the phosphate company to buy the fertilizer company, since the government had helped bear part of the losses and obligations."

"Thus the phosphate mining company, in a proposal submitted to the government, offered to buy the fertilizer company for 60 million dinars, provided that the treasury would bear the phosphate industry's other obligations, and that the fertilizer company would be fully affiliated with the phosphate company. After a detailed study of the situation between the phosphate mining company and the government, the cabinet formed a technical committee composed of several officials and specialists, who studied the situation in detail and presented their proposals for buying the company according to the government's terms. The actual result was that the phosphate mining company became the owner of the fertilizer industry as a whole, including all of its units."

In this context, 'Azir said, "In 1986-87 we want to turn the losses around and try to break the losing streak, while stressing that developing a certain grade of phosphate has now become less important than providing the fertilizer industry with low-cost phosphate, which would enable the fertilizer industry, as part of the phosphate company, to realize suitable profits."

'Azir pointed out that making the fertilizer company a subsidiary of the phosphate company will enable the former to stand on its own two feet, with perhaps fewer losses during the remainder of 1986.

'Azir emphasized the importance of completing projects on time, as well as avoiding construction delays and trying to produce more things locally instead of relying on foreign sources in procuring machines, equipment, structures and various industrial demands. He pointed out that there are not enough engineering industries in Jordan to produce such items, which therefore must be imported. However, there are many money- and labor-intensive operations which could be set up locally to provide professional manpower and technical skills to get the job done better.



Discussing Jordan's industrial strategy, Dr Kamil Shahatit, director of the Planning Ministry's Research and Studies Department, said that the future of Jordanian industry depends to a great extent on the adoption of a clear-cut strategy for developing this sector. The scope of this strategy must derive from given Jordanian economic factors, first of all, and secondly from new trends in regional and world markets. Industrialization is a long-term, on-going process which has economic, social and political dimensions. Any strategic attempt to define a political framework for development must consider the time factor, since development is a continual process aimed at serving the society, not a tool to satisfy one generation at the expense of another, or one group at the expense of development goals. The world's recent experiences in development show that industrial development has its cost, which must be distributed among individuals, whatever their position, and generations, whatever their age.

Realizing high growth rates in this sector will contribute positively to achieving equilibrium in the economic infrastructure, benefitting commodity production at the expense of services.

This sector is capable of generating and creating job opportunities and setting up industries throughout Jordan, while taking into consideration the regional distribution of investments. Furthermore, the industrial labor force has more continuity than other sectors' labor forces.

The effects of developing this sector will extend even to the inculcation of industrial values, since such development will help develop social values, which will be mirrored in the development of management, organizations and individual conduct, thus increasing the society's productivity in various fields.

In addition, increased industrial production, particularly import substitution, will reduce our dependency on foreign factors in forming and influencing the growth and level of our national economic development activities and the ensuing political and security goals. Finally, industrial development will aid the spread of technology to other sectors, thus helping accelerate the adoption and nationalization of technology in various fields.

#### Providing the Right Environment For Development

Industrial development is a complicated process in which diverse factors extending to all facets of society interact. The following factors are the ones which concern us directly:

1. The role of organizations, laws, and state policies and measures in encouraging and promoting industrial development. The existing state system has the administrative ability, the skills and the incentive, but many negative phenomena have become widespread, undermining the state's ability to motivate, manage, guide and adopt an industrial movement capable of competing with advanced, developed nations which have already overcome the negative

aspects of their states. Therefore, any industrial development process must be preceded by development of a state infrastructure, particularly organizations directly connected with industry. Furthermore, even though the infrastructure and the services aiding industrial development--ports, roads, transportation, communications, insurance, training institutes and electric power--offer varying levels of services, flexibility in increasing such services and linking them in such a way as to directly serve industry is a basic condition for improving the environment for industrial development.

2. The local market's inability to absorb large quantities of competitively-priced surplus goods necessitates agreements and coordination on the Arab level, and even on a narrower or bilateral level in case broader Arab cooperation is impossible, in order to reach agreements for establishing joint industries or jointly-financed specialized industries in each country, to guarantee the continuity of a joint market of such a size as to be able to absorb sensibly-priced industrial products. Without such coordination, establishing a large number of industries will be of no economic or technological use to Jordan.

Also, the availability of constant, not seasonal or occasional, sources of national financing is a basic condition for continued industrialization. The theory of increasing local savings from the negative to the positive level is one of the chief ways to guarantee the continuity of growth and development. Therefore, to serve the medium- or long-range goals of development, and to restore some kind of equilibrium to economic factors, voluntary and compulsory financial measures must be taken to bring savings up to the required level, since this is a condition for providing a suitable environment for investment and industrial development.

3. Much has been said about the negative aspects of state participation in large industrial projects, to the effect that both the private and the public sectors lack experience, and that international and Arab economic conditions have led to doubts as to whether such projects can be completed, and thus to doubts about the state's role and financial weight in establishing new large industries. All of this has aroused fear among many persons involved in such projects. The world's industrial giants have not escaped from the disturbances in the world markets, and there are many examples to prove it. However, the state is still believed to have a financial role in establishing large industries, especially if such projects are allowed to operate in complete financial and administrative independence from central government agencies, and to manage themselves in firm cooperation with the private sector.

Dr Shahatit calls on industrialists and government agencies to take the following steps:

1. Approve a balanced strategy which will provide credit facilities and support for all industries which produce export or import-substitution goods;
2. Give particular attention to studying regional markets, Arab markets in particular, as future markets for these industries, since transport costs, market study potentials, similarities in mentality and values, and ease of communications are competitive factors favoring Jordanian products; and

3. Determine what kinds and sizes of projects in various branches of industry share certain production conditions, and then encourage investment in such industries through an export or import-substitution policy.

Arab cooperation in finance or marketing, however limited, is essential for production and for the establishment of industries capable of competing in overseas markets and producing goods at costs competitive with imports on the local market.

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PALESTINIAN AFFAIRS

IDEOLOGICAL, ORGANIZATIONAL HISTORY OF ABU NIDAL

London AL-MAJALLAH in Arabic 17-23 Sep 86 pp 15-17

[Article by Salih Qallab: "Abu Nidal: His Extremism, Alliances, and Covert Action Methodology"]

[Text] Following every act of violence against American or Israeli targets, the name Sabri al-Banna (Abu Nidal) jumps to the front. Western media began running stories and accounts about this Palestinian official and the organization he commands and about his relationship with this or that Arab country in justification of a military strike such as the April raid on Libya and the anticipated reaction, be it by Israel or the United States, following the Karachi airport operation and the Istanbul synagogue operation.

Given the Western media coverage of Abu Nidal as a Palestinian action phenomenon and a person and organization, and in view of the many stories about him, some of which are fictitious and have nothing to do with him while others are in support of political ends aimed at defaming the Palestinian revolution, it is necessary to take up this subject with a priori emphasis on the fact that objective circumstances have created the Abu Nidal phenomenon and have defined his ideology that maintains a that very close bond exists between Israel and the United States.

So who is Abu Nidal? And how did he become a prominent phenomenon in modern Palestinian action more than 20 years after the Palestinian revolution was launched?

Abu Nidal's story begins at the moment when that young child, Sabri al-Banna, left the city of Jaffa where he "saw the light" in a well-to-do family that was destined, under the impact of Zionist occupation, to leave its land and home to be dispersed with the rest of the Palestinian people away from home.

Right after the establishment of Israel in 1948, Sabri al-Banna and a part of his family moved to Nablus (the second capital of the West Bank after Jerusalem) where he lived the bitter experience of expatriation. His eyes opened little by little to the reality of defeat with its motives and causes. During the early years of his academic life, he was drawn to one of the national movements under the influence of its ideas and aspirations. This

organizational experience has distinctly marked his thinking and behavior from that date in the mid-fifties to this day.

Under the pressure of family obligations and the need to support a once-prosperous family that found itself without a roof over its head, the young man was forced to drop out of school and work in an Arab country where he lived for over 10 years. During this time, he was introduced to the new reality of the Palestinian people, that of exile and expatriation, and to the beginning of his quest for the return to the occupied territory.

At first, Sabri al-Banna pursued his work with the group he joined in Nablus, meeting with some workers and teachers who belonged to the same group. With the emergence of armed struggle in the early sixties, he was at the forefront of those who abandoned their old organization to join the Palestine National Liberation Movement (Fatah), bringing with him organizational experience and ready-made ideas that collided from the outset with certain tendencies held by the symbols of his new affiliation. His enthusiasm and said organizational experience, plus other factors, qualified him for membership in the Fatah regional command in the Arab country where he was living. Following the 1967 war and the fall of the West Bank into the hands of occupation and the consequent emergence of armed struggle, he moved to Jordan to assume the position of secretary of the Fatah region in Jordan. This region was the largest and strongest, given the fact that the major weight of the then Palestinian revolution was on Jordanian territory.

#### Two Currents and Two Viewpoints

In the throes of events at that stage in the life of the Palestinian revolution, the blazing flames that were burning uncontrollably concealed an interactive internal movement that resulted in the emergence of two tendencies, within Fatah particularly, one rejecting intervention in the internal affairs of Arab countries and insisting on confining the battle to the Zionist enemy and one advocating that the road to Jerusalem should pass through Arab capitals. While certain symbols of the first current raised the slogan "coexistence of the powerful," the second current raised the slogan of taking advantage of the post-1967 occupation and resolving the dispute with certain Arab states in favor of the motto "Power, all power to the resistance."

The fact is that Abu Nidal was not the number one symbol of the current advocating settlement, for this current, in addition to other factions such as the PFLP and the PDFLP, included a number of second-echelon Fatah symbols, such as Muhammad Da'ud 'Awdah (Abu Da'ud), Abu Hatim Naji 'Allush; and another group of third-echelon symbols like Hanna Muqbil, Abu Khalid al-Sin, Abu Qasim, and Abu 'Umar.

At the outset, some people regarded Nimr Salih (Abu Salih) and martyr Majid Abu Sharar as part of this current. It is definite, however, that these two Palestinian officials had their own personal framework which called for national authority and a Palestinian state in a diffident underground fashion.



With regard to the symbols that led the seditionist movement in 1983, the likes of Abu Musa, Abu Majdi, Abu Khalid al-Umlah and others. Almost all of them were officers in the Jordanian army far removed from growing currents within the Palestinian resistance. It is well known that they, along with over 4,000 officers and enlisted men, joined Palestinian action following the notorious September events in Jordan. They enrolled in the Yarmuk Brigade that was under the direct control of Palestinian leader Yasir 'Arafat, in his capacity as commander-in-chief of Palestinian revolutionary forces, who represented its actual source of power domestically and regionally at a certain time in the early seventies on the eve of the outbreak of the Lebanese civil war.

#### Special Experience

At that time, Abu Nidal was one of 21 members comprising the Fatah Revolutionary Council. This council represented the second leadership station in the movement's organizational pyramid, while the central committee, in accordance with the results of the second conference held in July 1968 at a commando base in the al-Zabdani area in Syria, included 9 members: Yasir 'Arafat (Abu 'Ammar), Salah Khalaf (Abu Iyad), Khalil al-Wazir (Abu Jihad), Abu 'Ali Iyad, Abu Yusuf al-Najjar, Faruq al-Qaddumi (Abu al-Lutuf), Abu Sabri, Mahmud 'Abbas (Abu Mazin), and Khalid al-Hasan (Abu al-Sa'id).

Thus began Abu Nidal's special experience upon his transfer from Amman, Jordan, to head the Fatah office and the PLO office in Khartoum and thereafter, Fatah and PLO offices in the Iraqi capital, Baghdad.

In the post exodus-from-Jordan phase following the well-known Jarash and 'Ajlun events, a series of successive meetings were held at the revolutionary council and central committee levels to assess what had happened and to study the situation of the Palestinian resistance from the standpoint of its internal structure and Arab and international relations and to define its new political slogan for the next phase. Although these meetings focused primarily on Fatah's internal affairs with a view to consolidating its frameworks and apparatuses, the basic controversy centered around the slogans of the new phase. This controversy led to the emergence of two distinct currents and a third subdivided one with limited capabilities and weak authority. These two currents included one that embraced the majority of the central committee membership and another that called itself "leftist" and is the aforementioned current in which Abu Nidal was a key, but not the principal symbol. The third current, which began somewhat crystallizing in the last months of the resistance's presence in Jordan by virtue of its close contacts with symbols famous for this way of thinking, such as former executive committee member, attorney Ibrahim Bakr, included, as mentioned above, Abu Salih and Majid Abu Sharar, or the so-called leftist current, and martyr Kamal 'Adwan, the so-called moderate current represented specifically by Abu 'Ammar and Abu Jihad.

In the 3rd Fatah conference held in Syria in September 1971, the one that witnessed the first organizational confrontation between the two above-mentioned currents, Abu Nidal, along with 25 other candidates, sought membership in the central committee. Due to certain circumstances, factors

and balances, only two made it to the first leadership station: Abu Salih and Kamal 'Adwan. The former was regarded as the representative of the so-called left while the latter fell to the lot of the so-called moderate current in this conference.

Ever since then and for 4 more years hence, Fatah lived through an internally fluctuating state of polarization. The so-called leftists shifted alliances frequently, often turning against one another. The same was true of the second echelon that experienced many developments and vicissitudes, particularly when the Lebanon crisis emerged and secretary Hamdan 'Ashur was removed from his post.

During this time, Abu Nidal took full control of the Fatah movement in Iraq by force. He made occasional visits to Beirut for discussions and deliberations and returned to his main position to contribute from afar to the crystallization and support of the current of which he was considered a symbol and which included at the time Naji 'Allush (Abu Ibrahim) and Muhammad Da'ud 'Awdah (Abu Da'ud).

In this connection, it must be noted that one of the leftist current's symbols, Abu Khalid al-Sin, appointed, following the September events, as the political guide of the newly-formed Yarmuk Brigade, took upon himself the task of attracting to the current Abu Khalid al-'Umlah, Abu Musa, and a number of officers who later formed the seditionist nucleus in Fatah.

But Abu Khalid al-'Umlah and Abu Musa did not participate directly in the organizational experience the leftist current had formed inside Fatah even though Abu Nidal at one time had considered them as members of the revolutionary council who support his orientations and for whom he named his subsequent movement, the "Fatah Revolutionary Council."

#### Beginning of Schism

When the Palestinian state and national authority slogans were raised on the heels of the October 1973 war, the leftist current in its majority, save for the Abu Salih-Majid Abu Sharar group, sided against these two slogans. Gradually, with the advent of 1976, Abu Nidal began publishing his own magazine under the name FILASTIN AL-THAWRAH, the name used by the PLO organ. He began putting out his own political and organizational bulletins and communiques.

This notwithstanding, and despite the fact that this organization had almost crystallized under a field leadership with Naji 'Allush as its secretary general and "Abu Da'ud" a key member, the bond between Abu Nidal and the Fatah movement, or at least between him and certain central committee members, was not broken until 1977 when he was accused of engineering an assassination attempt against central committee member Mahmud 'Abbas (Abu Mazin) in Damascus. He was sentenced to death on the basis of this charge and not for engineering an assassination attempt against Abu 'Ammar, as reported in the Arab and foreign press.

To round out the picture of these developments, it must be noted that the dispute between Abu Nidal, Abu Da'ud, and Naji 'Allush, on the one side, and certain leftist current symbols, like Abu Hatim, Abu Musa, and Abu Khalid al-'Umlah, on the other, centered around the fact that the first group after 1976 began advocating the need to establish an organization independent of Fatah, but under the same name, while the second group believed that action from within was more beneficial than secession and that any new movement, regardless of raised slogans, would sooner or later come under a regional force by virtue of the need for protection and for backing at a time when Fatah was at the peak of its strength.

It was on this basis that the 1978 spring events represented the last nail in the coffin of relations between these two groups. The upshot of these events was that the Abu Da'ud-Naji 'Allush-Abu Nidal group, in an effort to prevent international troop concentrations in southern Lebanon, moved military units to areas opposite the border strip with a view to undertaking military operations and violating the cease-fire agreement approved by the Palestinian leadership. It believed that this group, if attacked by the Palestinian leadership, would receive support from the Abu Musa-Abu Khalid al-'Umlah and the Abu Salih-Abu Sharar groups. When things came to a head, however, this theory was proven wrong. The groups led by Abu Iyad were arrested without one bullet being fired.

#### New Phase

The above incident was a turning point with regard to the organizational experience of the Abu Nidal group because Naji 'Allush (the guide and legitimate cover of this group) moved to Baghdad toward the end of 1978 after spending a short period in hiding in the Lebanese capital, to assume direct responsibility, particularly since Abu Nidal in the meantime was suffering from heart trouble that required rest and intensive medical care.

Upon his arrival in Baghdad, Naji 'Allush initiated efforts toward realizing a dream he had entertained since the early sixties when he resigned from the Ba'th Party while working in Kuwait, namely to form a national organizational framework, different in name, course, and methodology from Fatah in which he maintained his revolutionary council membership even following his move to the Iraqi capital.

Following his recovery and return to work, Abu Nidal discovered that Naji 'Allush was trying to take total control of his organization, Fatah Revolutionary Council, and that he had succeeded in persuading two of the most important and prominent leaders of this organization to abandon the old experience and rally around the "Popular Arab Movement" which he had been planning to set up over 15 years earlier when he used to propagate these ideas about it in a well-known, old Kuwaiti magazine.

Abu Nidal tried to persuade 'Allush to abandon this tendency, saying that the Arab arena could not support new national parties and that action in the Palestinian arena would be useless without the Fatah association. The latter, however, insisted on his viewpoint, thus effecting the political and organizational divorce between them a short while later whereby Abu Nidal left

his original organization the name Revolutionary Council while Naji 'Allush pursued his national experience through the afore-mentioned popular movement. Abu Da'ud had rejected these two tendencies, preferring to stay within the mother movement.

It is common knowledge that this phase almost coincided with the Israeli invasion of Lebanon at the beginning of the summer of 1982. Accordingly, all other events took a back seat to this invasion and to the steadfastness of those who defended Beirut for almost 3 months.

Barely a year passed when equations in the Palestinian arena were erased. The split led to the mixing of cards and a severe and intense polarization process. Abu Nidal put his full weight behind the split early on in the game, employing all his capabilities in support of the leadership that carried it out.

Some bettors pointed to the possibility of a union between Abu Nidal and the seditionist group, but in fact and despite these bettors and the many meetings that were held and the communiques that were issued, it was clear from the outset that it was impossible for these two tendencies to meet given the old intense ideological differences going back to the days when they were within the framework of one Fatah.

#### Modus Operandi

To illustrate Abu Nidal's modus operandi, his confidants say that his early confrontation with the Palestinian leadership and his constant disagreement with a large number of leaders and tendencies in the area intensified his belief in self-reliance, both from the standpoint of planning and implementing his operations. Apparently this trait reflected on all aspects of activity undertaken by his organization.

Many visitors to his camps in some Arab countries in the mid-sixties reported that he followed the concept of camp-production unit. These camps were used for training and physical fitness and as farms and economic establishments whose production sometimes exceeded private consumption needs, thus realizing financial profits.

As perceived from the accounts of Abu Nidal's confidants, persistent well-contrived underground action has rendered his organization immune to outside penetrations to the extent of his seeking medical treatment in Great Britain or the United States, as he himself said, without detection or news leaks.

Abu Nidal, to a large extent, shares this quality with Dr Wadi' Haddad who quarreled with the Popular Front in the early sixties over foreign operations and set up an iron-clad underground organization. It is rumored that he used to travel from one world capital to another in disguise, sometimes as a Christian priest, other times as a simple bedouin, and yet at other times as a policeman from a western country. One of Dr Haddad's associates said that many times he sat in the "Strand" Cafe in Beirut amid many people who knew him well without being recognized because he always used different disguises to conceal his identity.



A long-time associate of Abu Nidal said that an Arab country at some point denied him permission to leave and placed him under house arrest, but a security official in this country was surprised by a priest extending his hand to him while he was meeting a guest who had arrived on a flight from a European country. He discovered that this priest coming from Europe was Abu Nidal who was banned from travel or movement.

Speaking of Abu Nidal and his organization, a significant change has been noted in his action in the last 3 years. It began with the assassination attempt against the former Israeli ambassador to London, Moshe Argov, an attempt used by the Zionist state as a pretext to invade Lebanon.

One observation worth exploring is the fact that in recent years Abu Nidal has been organizing youth groups in camps in Lebanon, groups that are highly experienced in combat and highly motivated due to the harsh circumstances they have had to face. It appears that past strong PLO presence in Lebanon has deprived him of this important advantage prior to the PLO departure from Beirut.

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SYRIA

SOVIET EXPERTS LAUD SYRIAN COMPETENCE

Damascus AL-BATH in Arabic 27 Jun 86 p 6

[Article by Mahmud Shibli: "Soviet Experts Laud Competence of Syrian Engineers, Technicians, and Workers on Occasion of Closing of Euphrates Waterway and Flow of Water Through Euphrates Dam"]

[Text] Soviet experts held a press conference in the Soviet Cultural Center in Damascus on the occasion of the closing of the Euphrates waterway and the flow of the water through the outlet of al-Ba'th dam. At the opening of the conference the Soviet experts praised the traditional relationship and true friendship that tie the Soviet Union to the Syrian Arab nation, and the cooperation between them which is based on the mutual interests of the Soviet and Syrian Arab peoples in their struggle against imperialism, colonialism, zionism, and sectarianism to achieve the social progress of people and to enhance overall peace.

The Soviet experts stated that due to joint efforts the friendly relations between the Soviet Union and Syria are constantly improving based on the provisions of the Friendship and Cooperation Treaty that was signed by the Soviet Union and the Syrian Arab Republic on 8 October 1980.

Construction of Large Installations Reflects Cooperation

The Soviet experts stated at their press conference that the economic cooperation between the Soviet Union and Syria is reflected in the construction of a number of large installations in Syria, including the Euphrates electric accumulator which plays an important part in the development of the Syrian national economy.

Moreover, the electric station on the Euphrates River, which was built by the Syrian people with the assistance of the Soviet Union, is considered the largest station in the Middle East because of the volume of its electric power. This station has produced without interruption for the past 12 years low-cost electric power for the Syrian national economy. The batteries of the Euphrates electric station, which have an 800-megawatt capacity, produced 23 billion kwh of electric power for the Syrian electric system, or half the amount of electricity consumed in Syria in this period. The Soviet experts also noted that the quantity of electric power produced by the Euphrates

electric station depends on the quantities of water flowing in the water reservoir. The electric power produced can reach 3 billion kwh in years when water is abundant and 2 billion kwh in dry years.

The revolutionary electric station has another role that is as important as its primary role: It is the only station among electric-power stations in the Syrian electric system which can in a timely manner organize the operation of the electric-power module, i.e., preserve the uninterrupted frequency at a rate of 50 cycles a second.

However, the other electric power stations cannot perform this task. The Euphrates electric-power station on the other hand preserves the foundation of the electric-power station in the country by ensuring that the electric current flows according to international specifications. Furthermore, the Euphrates station has another task, i.e., to prevent an interruption in the electric-current flow in the electric system similar to the interruptions that occurred in the Banyas and Muhradah Stations. However, if an interruption of the electric current does occur, the current is back on within a few minutes due to the quick response of the emergency electric-power generators.

The experts affirmed that the Euphrates electric-power station has not been responsible for any current outage since the beginning of its operation due to the high quality of its equipment and gears, accurate work, and the station's highly competent Syrian workers and engineers.

#### Highly Competent Syrian Engineers, Technicians, and Workers

The experts praised the high degree of competence enjoyed by the Syrian engineers, technicians, and workers of the Euphrates electric-power station where the equipment and installations of the Euphrates water accumulator are still in good condition and which still adheres to international specifications 12 years after the start of its operation. This is due to the expertise of Syrian workers, engineers, and technicians. The Syrian proprietors working in the station have been able to learn from Soviet experts who continue to contribute their technical assistance to the project.

During the period from 1980-85, 15 engineers, 23 technicians, and 120 Syrian workers received training with the assistance of Soviet experts to operate the station successfully. Moreover, during the past 5 years 52 Syrian specialists received training, a 3-month special tour, at the best Soviet electric-power stations. This type of training has been very effective in raising the expertise of our Syrian colleagues.

#### Al-Ba'th Dam Secures Water and Energy

The experts stated that due to stable and continuous work, and the continuing operation of the equipment and gears during all the years of operation, there is a possibility of upgrading, according to preliminary studies, the electric-power station by adding 80 megawatts to its power. The Soviet and Syrian engineers are presently conducting on-site experiments based on the annual plan contained in the 1977 Soviet-Syrian Treaty for the creation of al-Ba'th electric-power station.

The water accumulator located 26 km from the Euphrates station has an integrative role because it has to organize the flow of irregular drainage from the Euphrates station for a full day to guarantee the stable operation of the outlets for irrigation water in the lower stream, the flow of drinking water for the population of the area, and the generation of 375 million kwh of electric power a year.

The waterway of the Euphrates River is now closed and the water flows through the outlet of al-Ba'th dam. The first group of accumulators with a total capacity of 75.6 kilowatts is now being installed which will allow us to diminish the shortage that was due to the lack of the electric-power generators in the country. The objective of the studies that were carried with the assistance of Soviet organizations is to increase the capacity of the Tishrin electric-power station by 500 megawatts to allow for the subsequent use of the water resources of the country.

The Soviet experts pointed out that President Hafiz al-Asad praised the friendship between the Soviet and Syrian electric-power specialists in his 1 March 1978 speech commemorating the end of construction of the Euphrates dam. This friendship began during the construction of the various installations on the Euphrates dam.

In conclusion, the experts stated that this dam will remain an eternal symbol of the friendship between the Syrian Arab people and the people of the Soviet Union and a model for relationships between nations.

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CSO: 4404/440

SYRIA

LACK OF PUBLIC SERVICES REVIEWED, CALLED 'MAIN PROBLEM'

Damascus AL-BA'TH in Arabic 27 Jun 86 p 6

[Article by AL-BA'TH correspondent in Safita: "Shortage and Bad Distribution of Public Services in al-Qadmus Area"]

[Text] AL-BA'TH visited the rural area of Tartus. The province of Tartus is one of the important provinces of our country at the economic and tourist levels and is known for its beautiful rural area. However, the main problem, as seen by our correspondent in Safita, is the shortage and inadequate distribution of public services in some villages as, for example, in the Qadmus area.

The area has known several projects that faltered or were never started. The bridge of al-Hajj Hasan is one of these projects. Work in this project began in 1978 but has not yet been completed because it was added to separate contractual arrangements, in addition to the fact that the contracting companies were not able to meet the project's deadline. At present the project has reached its final phase and is expected to become operational this summer.

Moreover, the Darti-Hammam Wasil road, which links al-Qadmus to al-Shykh Badr and Tartus, is another example. The project was tendered to the Syrian Company for Roads, which has not yet begun construction on it, and the citizens are experiencing great difficulty in crossing it during the winter season.

Health Services

The population of the region is 45,000. However, it does not have any health services except for a clinic in the town of al-Qadmus and another in al-Tawahin which operates with a skeleton staff that includes one doctor, a nurse, and an orderly.

Furthermore, the long distance between this region and the medical centers in Tartus, Latakia, or Hama has created a critical health situation. We have to mention here that al-Qadmus sanitarium for chest diseases is almost inoperational because of the following reasons:

1. The number of patients is much lower than the number of the staff: 28 to 32 patients versus 68 employees.

2. A great number of patients are incurable and have regarded the sanitarium as their home for over 2 years and refuse to leave.

3. The sanitarium patients are not residents of the province, and a nurse assured us that the sanitarium has never had an ambulance since its creation 32 years ago. However, the Tartus health director denied the above allegation and asserted that the ambulance has been used by the field director and is presently being repaired.

In addition, the region suffers from a shortage of water during the summer season and the water is brought in unsanitary tanks. Moreover, x-ray films are scarce, which compels patients to get their x-rays taken in Tartus and to pay for them out of their own pocket.

We also learned that the sanitarium is in great need of renovation of its men's and women's wards. We have to note also that workers need to pass periodic and compulsory tests at the sanitarium to ensure that they are disease-free.

There is also a need to compel the food concessionaire to serve the type of meals that are being served in other hospitals across the country.

#### Electricity

Several villages still do not have electricity. The electricity department of Tartus is implementing a plan to bring electricity to the following villages: Karm al-Tin, Bayt al-Marj, Wadi al-Saqy, and Mazra'at Bayt al-Dahr. It is possible that these villages will receive their electricity in 15 days from today. In addition, the department is bringing electricity to some other villages: Saqaya, Na'mu al-Gharbiyyah, and Surayjis. Work has already begun in some of these villages. Bayt 'Uthman and Marwiya will receive electricity this summer, thanks to the cooperation between the electricity departments of Hama and Tartus. If this plan is implemented, the 1984-85 plan to provide villages with electricity would have been finalized.

#### Telephone

Telephone service in al-Qadmus area is very limited and covers only a small part of it. A great number of villages do not have any telephone service. Moreover, the actual telephone service is unsatisfactory for the following reasons:

1. There is a small number of lines in the centers and a small number of centers so that there are only three central stations in the whole region as follows: Al-Qadmus (200 lines), Hammam (60 lines), Karm al-Khasi (200 lines), and the village of al-Hadiriya (20 lines).

2. The telephone department is studying the feasibility of establishing a central station in the village of al-Muqarmida and a phone booth in Kaf al-Ja'. We would like to note that al-Tawahin District has only one public telephone booth and many of the distant villages from al-Qadmus center, some of them



20 km away, have no telephone service. The section's leadership has submitted suggestions to bring telephone service to remote villages.

### Schools

Some very large villages have been until now without a school building. Without listing all the examples, we would like to mention the example of al-Dawqa village. Eleven branches are in rented buildings rather than private ones. However 11 high school and elementary schools are being built in al-Shu'ba District. Some of these schools have almost been completed, for example, the "Shikara al-Bahri and al-Duwayliya" schools. Some other schools will be completed this summer but the construction of other schools is faltering due to a shortage of construction materials. The Qadmus District management has submitted suggestions on this subject and has laid the foundation stone for the vocational school during the celebration of the anniversary of the party. However, the plan for the construction of the school has not yet been carried out. The construction of this school will cost around 13 million Syrian pounds.

### Drinking Water

The communities that drink water coming from water projects are as follows: the town of Qadmus, al-Maydan and al-Salib farms, and the eastern section of al-Sumay'iqa Village.

Besides this, all the villages of the region suffer from a water shortage. There are 60 such villages and farms. However, when the Hajj Hasan bridge project, which is expected to be completed this summer, is operational, the number of villages that receive drinking water will reach 24, leaving 36 other villages dry until al-Sin water project is completed.

Water for these villages is provided by tanks which fall short of the need for water and the majority of the mentioned villages receive their drinking water from rainwater that has been accumulated in special wells.

### Supplies

An automatic bakery is being built in al-Qadmus Town. Construction has been completed and some of the automatic equipment have been delivered. The bakery will be operational at the end of this year and will cover the need of the whole region.

Moreover, retail store centers are scarce in al-Qadmus and Hammam Wasil, which have a retail mall and a center. A cooperative store is located in the town of Addi. Moreover, a retail center will be opened next month in the town of al-Tawahin. However, these limited centers do not meet the needs of the region for provisions. It has been suggested that centers should be built in communities and large villages like al-Hattaniya, Kaf al-Ja', Hadada, and Hatiriya. Furthermore, the region needs wholesale centers that could then be duplicated in other areas.

## Agriculture

The dense afforestation project in al-Qadmus is one of the largest projects in the province. The area of the project is 10,000 hectares. More than 1.15 million trees have been planted this year. Moreover, state and private projects for land reclamation has spread in the following villages: Kaf al-Ja', 'Ayn Hasan, al-Muqarmada, al-Sa'dana, al-Tuffaha, Shakara al-Bahari, al-Qadmus, al-Maydan, al-Qaddisa, Karm al-Tin, and Hammam Wasil. The planted land has doubled this year from the last 2 years. The planting has been concentrated in the following villages: Al-Finiq, al-Qudaymisa, Kaf al-Ja', Jamasat al-Qabaliya, al-Sha'ra, al-Muqarmada, al-Sa'dana, al-Tuffaha, al-Day, al-Nawatif, Hammam Wasil, and 'Ayn Hasan.

## Transportation

We can state that there is no real transportation in the region and villages depend on pickup-type cars and on a small number of buses that link the region to the center of the province. The population has suggested the creation of a center in al-Qadmus and the local authorities are attempting to encourage the Transportation Cooperative Association which, however, lack the required funds. Moreover, the bad condition of the main and secondary roads, particularly the Banyas, al-Qadmus, and Misyaf roads, constitute an obstacle to traffic flow and to the development of a transportation network.

At the end of our visit we met with engineer Dathar Za'rur, director of the city council of al-Qadmus, who reviewed for us the most important services that have been provided to the town:

- A drinking water network has been completed and extended 15 km through certain sections linking the pumping station in the village of al-Sumayhayqa with a high-voltage source, and 8,000 residents of the town, in al-Salib farm, and in the village of al-Sumayhayqa have benefited from the drinking water. As for sanitary drainage a network has been built that extends 20 km, and 91 percent of the population will benefit from it. Moreover, most sectors in the town and the main road are now being lit with regular lamps and neon.

- Alleys: The town has built paths in the old sectors made of regular concrete to facilitate traffic.

Moreover, a restaurant for tourists, a bakery, and a slaughterhouse were built and a road was constructed in the direction of al-Qusur district.

## Projects Being Implemented

- Construction of the town city hall which will cost 310,000 Syrian pounds is nearly completed.

- Construction of eight commercial stores on the main street.

### Suggested Projects

- Construction of a precipitation basin in the southwest section of town will cost 400,000 Syrian pounds, and 3,500 people will benefit from this project. This project is presently under consideration.
- Regulation and widening of the eastern entrance to the town of al-Qadmus in the direction of Misyaf and the western quarter. The road will be 6,000 miles long and 16 miles wide. This project is being considered by the Tartus Road Company.
- Conduct a topographical survey of the town's sectors to design a town sketch.

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BANGLADESH

## FOREIGN MINISTER TAKES OVER AS UN GENERAL ASSEMBLY PRESIDENT

### Report on Opening Speech

Dhaka THE NEW NATION in English 17 Sep 86 pp 1, 8

[Text]

UNITED NATIONS, Sept 16 (BSS): Foreign Minister Humayun Rasheed Choudhury, who took over as President of the 41st regular session of the United Nations General Assembly today called upon the world nations to rededicate themselves to working together for a world of peace.

He said this world of peace should be a place, not only where war is merely absent, not only where human survival is just possible, but also where justice and human dignity is upheld. Peace, which is indivisible, is undoubtedly the most essential prerequisite for all our endeavours, he added.

In this context, the newly-elected president of the world body pointed out the responsibility of the members of the General Assembly toward taking a bold and decisive step here and now to put an end to the abhorrent system of apartheid in South Africa and Namibia and to find a just and lasting solution to the problem of the Middle East and Palestine.

He also mentioned the question of disarmament, human rights, and the problems of drug abuse and terrorism as the areas where the "UN system should involve itself more directly and effectively".

Describing the present functioning of the world economy as "uneven and unsatisfactory" he said the economic changes had assumed such magnitude and complexity that no country can adjust to them in isolation. Economic, financial, monetary and trade develop-

ment issues are so interrelated and are of such profound political and social importance that they can only be dealt with effectively as part of the wider political process.

He said the world debt situation, which has serious implications, has become a major international concern. A solution to this should be sought, he said, on the basis of a far greater understanding of the development needs of developing countries and creation of an international climate for their accelerated development.

Mr Choudhury also pointed out the position of the superpowers in today's world of interdependence. By their overwhelming economic, technological and military might, they enjoyed a reach far beyond their geographical boundaries making them virtual neighbours to every country in the world.

Mr Choudhury said the relations between the superpowers affect us all and, therefore, assumes special significance. Global peace is predicted upon how they perceive each other and related to each other. It is in our common interest to see that these superpowers do not engage in any conflict directly or indirectly.

The UN President said he had no doubt that leaders of the superpowers are sensitive of their responsibilities concerning the future of mankind. Let us assure them that we are with them in their support in our common endeavour for freedom, security and development, he said.

17 Sep Press Conference

Dhaka THE NEW NATION in English 18 Sep 86 pp 1, 8

[Text]

MOSCOW, Sept 17 (Reuter): The official news agency Tass said today Pakistan authorities could not escape blame for the murder in Islamabad of a Soviet military attache and such incidents inevitably affected Soviet-Pakistani relations.

Referring to the shooting of Colonel Fyodor Gorenkov yesterday, Tass said: "It can be supposed with confidence that the leaders of Pakistan will immediately make a promise to find and punish the killer of the Soviet diplomat".

However, the Pakistani authorities cannot get away from being held accountable either. They should be well aware that such

Humayun Rasheed Choudhury, elected assembly President yesterday by acclamation, will also preside over the deliberations on Namibia, a mineral-rich territory the size of Britain and France combined, which Pretoria administers in defiance of UN resolutions. The United Nations assembly faces a grave financial crisis due to the failure of some members to pay their dues, and Choudhury urged delegates to 'make a conscious effort to break with the past' and streamline their work methods.

Later, the assembly's 29-member steering committee, chaired by Choudhury, began work on an agenda of more than 140 items but postponed a decision on a proposal to lop three weeks off the 13-week session as an economy measure.

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CSO: 4600/1072



BANGLADESH

SEMINAR STUDIES ROLE OF MULTINATIONALS IN BANGLADESH

Prime Minister Speaks

Dhaka THE NEW NATION in English 20 Sep 86 pp 1, 8

[Text]

Prime Minister Mizanur Rahman Chowdhury yesterday stressed the need of formulating economic planning suitable for the existing socio-economic conditions of the country, reports BSS.

Speaking as chief guest at a seminar on 'Role of multinationals in Bangladesh' in Dhaka yesterday morning the Prime Minister called upon the young economists of the country to prepare such viable economic plans which could provide maximum manpower and raw materials of the country.

Organised by the Bangladesh Young Economists Association the inaugural session was presided over by its president M A Sattar Bhuiyan.

The Prime Minister said

that the purpose of formulating economic planning should be to ensure individual participation in the development activities and providing individual incentive with a national goal.

He said the age long tradition of formulating gigantic and sophisticated plans with foreign exchange components and foreign experts could be minimised by ensuring participation of the country's experts and utilising country's raw materials.

We cannot allow sophisticated plans at the cost of traditional cottage industries of the country, he opined.

In this context Mr Chowdhury particularly mentioned the deteriorating condition of the weaving sector of the country saying that the planners had failed to revive the glory of the

weaving sector and to ensure a better future of the weavers.

Turning to the various problems of irrigation system and storing of rainy season water in the country the Prime Minister advised the planners to follow the example of Zimbabwe where rainy season waters were being used throughout the year for irrigation and other necessary purposes.

Referring to the role of multinationals in Bangladesh the Prime Minister said that a proper evaluation of their activities here was needed. He said that we must ensure a competitive market of their product.

He stressed the need of setting up basic industries in Bangladesh for economic boost.

Steps To Attract Investment

Dhaka THE NEW NATION in English 20 Sep 86 pp 1, 8

[Text]

Bangladesh should clearly define its national priorities and look for new policy measures to attract foreign investments.

This was observed by Mr Ghulam Murtaza, Vice President of Young Economists' Association, in his paper presented at a seminar on "The role of multinational companies in Bangladesh", in the city yesterday.

Mr Murtaza who is also a joint director in Bangladesh Bank said the cautious entry of multinational companies after 1980

into small projects like garments and deep sea fishing speaks of the overall shortcoming of the incentive system to generate adequate and timely response from foreign investors.

He attributed the reasons for poor response to : 1) incentive systems are of highly complex nature and involve relatively high administrative costs, 2) involve high cost of information for the investor due to complexity, 3) additional risk and uncertainty since the incentive systems are sometimes biased, and 4) benefits from incentives are unclear for both investor and host country at the planning stage since those depend on returns from the project which in turn rests on uncertainty.

Mr Murtaza in his paper entitled "Inducing investment by multinationals in Bangladesh" said inconsistency or fluidity of goals, common in most developing countries, tends to confuse foreign investors and thus discourage them. Therefore, as a first step towards attracting foreign investment Bangladesh should clearly define its national priorities.

He suggested improving service facilities such as reduction of official formalities, supply of general information to which foreign investors gave much weight. The government should display sufficient flexibility in the terms offered rather than

exhibit an attitude of control, he added.

Mr Murtaza observed that Bangladesh would do better in attracting investors from third world countries like Hong Kong, Singapore, Korea. They engaged in small scale manufactures and are well suited for capacity utilisation by Bangladesh market. This would be in line with the policy of south cooperation and reduce the country's dependence on firms from developed countries.

Another paper entitled transfer price manipulation by multinational corporations and repatriation of resources from developing countries" was presented at the seminar by Mohammad Ziaul Haque. Presently associated with Bangladesh Shilpa Bank, Mr Haque examined the potentials for abuse or manipulation of transfer prices by multinational companies operating in the third world countries.

He suggested certain measures to surmount these problems which included harmonisation of taxes, duties and regulations among different host countries and developed countries

Dr Muzaffar Ahmed, Dr Mohiuddin Khan Alamgir, Dr Zafrullah Chowdhury, Dr Abu Mahmud Sardar, Syed Ahmed, Dr Abul Barkat, Dr Durga Das Bhattachary, and Anu Mohammad were among others, who took part in the seminar.

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CSO: 4600/1071

BANGLADESH

UN DELEGATE CALLS FOR SANCTIONS AGAINST PRETORIA

Dhaka THE NEW NATION in English 20 Sep 86 pp 1, 8

[Text]

UNITED NATIONS, Sept 19 (BSS): Bangladesh Permanent Representative to the United Nations Mr Justice B.A Siddiky yesterday called for comprehensive mandatory sanctions against the racist regime of South Africa 'to bring it to its knees.'

Participating in the 14th special session of the General Assembly on Namibia, which opened here Wednesday, Justice Siddiky said the sanctions to be made under the UN charter, must cover the broad areas of military, nuclear equipment and technology, supply and transport of oil and gas, investments, loans and financial concessions. This would constitute a minimal effort, but a strikingly symbolic one, he added.

President of the special session, Mr. Humayun Rasheed Choudhury, chaired the sitting.

In a hard-hitting speech, Mr. Siddiky, who is also leader of the Bangladesh delegation to the General Assembly, said Pretoria must be denied all external sources of strength, the regime in South Africa must be responded to in the language and idiom it understands, he said.

Mr Siddiky said the special General Assembly session must concentrate on the single issue of Namibian Independence, which is overdue. This item alone stands between the United Nations and its success in total decolonization.

The Bangladesh Permanent representative said the special session must adopt the most effective measure aiming at the speedy implementation of the UN plan. The best way it could be done, he said, is through a single hard-hitting resolution

containing a specific time frame. Justice Siddiky said the abhorrent policies of Pretoria constitute, perhaps, the greatest blot on the annals of the present century. Pretoria represents an evil, reason and rationality are not its forte, justice and humanity are not values it can claim for itself. Today the government of South Africa is an international pariah as a result of its own misdeeds, he said.

Referring to the valiant struggle started by the people of Namibia for determining their own destiny Justice Siddiky said "We salute them as we salute the leadership of their sole and authentic representative—the South West African Peoples Organisation (SWAPO).

In this connection, the Bangladesh delegation leader recalled that the people of his country had also experienced foreign domination.

"We too were engaged in a fierce struggle to relieve ourselves of the yoke."

He said just as we succeeded in our attempt we would like to see our Namibian brethren do the same. Namibian independence is a cause that is dear to our hearts. That is why Bangladesh attaches the greatest significance to the membership of the UN Council for Namibia.

He also affirmed unequivocally his delegation's stand that the Walvis Bay and the offshore island constitute inalienable part of Namibia. He condemned the crude machinations of Pretoria to dispossess the Namibian people of their rightful possession.

He rejected all attempts of Pretoria to link the independence of Namibia with certain extraneous and irrelevant issues.

BANGLADESH

CHOWDHURY SCORES HASINA FOREIGN RADIO REMARKS

Dhaka THE NEW NATION in English 29 Aug 86 pp 1, 8

[Text]

Prime Minister Mizanur Rahman Chowdhury in a statement yesterday on the remarks made by Awami League chief Sheikh Hasina Wajed to a foreign radio said it is incident on the part of an opposition leader of her stature to resort to baseless and untrue personal vilification, reports BSS.

Mr. Chowdhury said such remarks are attempts to belittle the sentiments and patriotism of all those who were stranded in the then West Pakistan and crores of others who were trapped in unliberated Bangladesh, but supported the cause of independence and threw in their lot with Bangladesh.

Mrs Hasina in her remarks to the foreign radio had cast aspersions on President Ershad's confinement in Pakistan camps during the war of independence.

The Prime Minister said, it is unbecoming of an opposition leader of her stature to make personal attack of the President because her party lost in the Aug 26 by-elections since this time it was not allowed to indulge in violence.

He said, President Ershad, along with other Bengali army officers and jawans, was stranded and confined in camps in the then West Pakistan during the war of independence. During his confinement in the then West Pakistan, President Ershad contacted General M A G Osmany, commander-in-chief of Bangladesh Liberation Forces, indicating his earnest desire to join the liberation war. But it is on record,

that General Osmany advised him being a senior Bengali officer, to stay back with his other colleagues to keep up the morale of Bengali officers and troops trapped in the then West Pakistan.

Mr Chowdhury said, after the independence of Bangladesh President Ershad was repatriated here along with other Bengali officers and jawans and was the first army officer to be promoted and made adjutant general by the then prime minister Sheikh Mujibur Rahman who held the portfolio of Defence Ministry. President Ershad was also the first Bangladeshi army officer to be selected by the then government for highly specialised NDC course for his outstanding career and patriotism. He was again promoted by the same government in 1975. Till recently President Ershad was the only NDC in the 15-year history of Bangladesh Army.

The Prime Minister said, by questioning the patriotism of such patriotic officers and jawans, Sheikh Hasina has not only cast an aspersion on the thousands of Bengali military and civil personnel who were stranded in the then West Pakistan, but it also appears that she has conveniently forgotten that her father was also kept in confinement in the then West Pakistan.

He said, it is expected that she will refrain from making such irresponsible remarks which will tantamount to divide the united and patriotic people of Bangladesh.

Mr. Chowdhury said, it is President Ershad who took positive measures for rehabilitation of the freedom fighters in the society with dignity including those who were disabled in the war and the families of the martyrs. They were totally forgotten and neglected at the time when her party was in power. As a matter of fact, it is President Ershad who, in real terms, has taken positive steps to keep alive the spirit of Liberation War for the present as well as future generations.

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CSO: 4600/1059

BANGLADESH

BRIEFS

DPRK ENVOY'S CREDENTIALS--The Ambassador Designate of the Democratic Peoples Republic of Korea, Ko Ryun Sik, presented his credentials to President Hussain Muhammad Ershad at Bangabhaban in Dhaka Thursday morning, reports BSS. Presenting his Letter of Credence the DPRK envoy expressed the hope that friendly ties between the two Asian countries will be strengthened in future. Reciprocating the sentiments President assured the new envoy of all possible help and cooperation in the discharge of his duties. Earlier, on arrival at Bangabhaban, Mr Ko Ryun Sik was given a guard of honour by President's Guard Regiment. He took salute and inspected the guard. [Text] [Dhaka THE NEW NATION in English 20 Sep 86 p 3] /9317

AMBASSADOR IN JORDAN--Bangladesh Ambassador to Saudi Arabia, Mr Hedayat Ahmed who is concurrently accredited to the Hashemite Kingdom of Jordan, presented his credentials on Tuesday in Amman to the Crown Prince and Regent Hassan Ibn Talal, according to a delayed message, reports BSS. While receiving the letter of credence from the ambassador, the Crown Prince and Regent hoped that bilateral relations between Bangladesh and Jordan which is already very cordial, will be further strengthened in the days to come. The crown prince and regent conveyed the heartiest greetings of King Hussein to the Bangladesh President Lt General Hussain Mohammad Ershad. [Text] [Dhaka THE NEW NATION in English 20 Sep 86 p 3] /9317

ADVISER TO ERSHAD--Air Vice Marshal (Retd) A.K. Khandaker has been appointed an Adviser to the President, reports BSS. Air Vice Marshal (reted) Khandaker will enjoy the rank and status of a minister and will perform all functions of a Minister in the Ministry of Planning. The newly appointed Adviser called on President Ershad at CMLA's Secretariat yesterday evening. [Text] [Dhaka THE NEW NATION in English 14 Sep 86 p 1] /9317

WRITERS' PRC VISIT--The seven member Bangladesh Writers Delegation returned here Sunday after a one month tour of China and North Korea, reports BSS. The unofficial delegation was led by Mr Faiz Ahmed, President of the writers Union. The other members of the delegation are: Dr Mustafa Nurul Islam, Dr Sirajul Islam Chowdhury, Dr Borhanuddin Khan Jahangir, Dr Muntasir Mamun, Dr Humayun Ahmed and Mr Shariar Kabir. During the tour of the People's Republic of China and the Democratic People's Republic of Korea, the delegation visited historical and cultural places in the two countries and met important members of the associations of writers and poets. The



members of the delegation had a meeting with the Chinese Cultural Minister Mr Wang Ming who gave a dinner in their honour. The delegation had a long meeting with Mr Hong Hu, General Secretary of the State Commission for restructuring economic system of China and the Deputy Foreign Minister on the Philosophy of Economic Reform and Modernisation in China. In Pyongyang the delegation was received by the presidential office of President Kim Il Sung and was presented with a souvenir on behalf of the President. The delegation had left Dhaka on August 15. [Text] [Dhaka THE NEW NATION in English 17 Sep 86 p 3] /9317

UK PROJECT GRANT--Bangladesh will receive 12.092 million pound sterling (about Taka 54.42 crore) as British project grant under an agreement signed here yesterday between the two governments, reports BSS. The British assistance will be utilized to finance the 'bridging and institutional project.' Under the first part of the project, five new bridges will be constructed. Rehabilitation and reconstruction of 25 old bridges on the national highways will be taken up under institutional development project. The new bridges are--Halda Bridge on Mymensingh-Tangail Road over Halda River; Khiro Bridge on Joydevpur-Trishal-Mymensingh Road over Khiro River; Sherpur Bridge on Sylhet-Moulvibazar Road over Kushiara River; Takerhat Bridge on Faridpur-Barisal Road over Kumar River and Gorai-Kamarkhali Bridge on Faridput-Jessore Road over Gorai River. Rehabilitation of particular bridges will be selected jointly by Bangladesh and British consultants after a field study, External Resources Division (ERD) sources said. Mr M.K. Anwar, Secretary ERD and Mr T.G. Streeton, British High Commissioner in Bangladesh signed the agreement on behalf of their respective (?countries). Excerpt] Dhaka THE NEW NATION in English 12 Sep 86 pp 1, 8] /9317

SERVICE CADRES CREATED--The Government has made further amendment in the Bangladesh Civil Services (re-organization) Order, 1980 creating 30 service cadres, an official handout said yesterday, reports BSS. Under the new order the sub-cadres will be treated as full cadre. The newly constituted service cadres are: BCS (administration); BCS [word illegible]; BCS (audit and accounts); BCS (co-operative); BCS (customs and excise); BCS (economic); BCS (family planning); BCS (fisheries), BCS (food); BCS (foreign affairs); BCS (forest); BCS (general education); BCS (health); BCS (information); BCS (judicial); BCS (livestock); BCS (police); BCS (postal); BCS (public health engineering); BCS (public works); BCS (railway engineering); BCS (railway transportation and commercial); BCS (roads and highways); BCS (secretariat); BCS (statistical); BCS (taxation); BCS (technical education); BCS (tele-communication); BCS (trade). [Text] [Dhaka THE NEW NATION in English 9 Sep 86 p 1] /9317

DANISH GRANT REPORTED--Denmark will provide 245 million Danish Kroner (Taka 89.92 crore) as grant to Bangladesh during 1987 under agreed minutes signed in Dhaka yesterday between the two governments reports BSS. The agreed minutes followed two days of annual negotiations between the visiting Danish delegation and Bangladesh officials which reviewed the on-going projects carried out with Denmark's assistance. Danida, the Danish Development Agency has been providing financial and other assistance to Bangladesh

to different sectors like agriculture, fisheries, rural development and transport since 1972. Out of the grant of 245 million DKR, 60 million DKR has been earmarked as commodity assistance, during the negotiations, the Danish side has indicated that Copenhagen will provide 255 million DKR and 290 million DKR during 1988 and 1989 respectively. [Excerpt] [Dhaka THE NEW NATION in English 1 Sep 86 pp 1, 8] /9317

ARMY CHIEF OF STAFF--The President has appointed Major General M. Atiqur Rahman, Principal Staff Officer to the CMLA and Adjutant General of Bangladesh Army, as the Chief of Army Staff and Deputy Chief Martial Law Administrator, according to an announcement of the Ministry of Defence here las night, reports BSS. The order takes effect from August 30 last. President Lt. Gen. Hussain Muhammad Ershad will continue as Chief Martial Law Administrator and Commander-in-Chief of Bangladesh armed forces. [Text] [Dhaka THE NEW NATION in English 29 Aug 86 p 1]/12828

VISIT TO THAILAND--DCMLA and Chief of Air Staff, Air Vice Marshal Sultan Mahmud returned in Dhaka yesterday after 15 days of official tour abroad, says an official source, reports BSS. During his tour to Thailand Air Vice Marshal Sultan Mahmud had meetings with the Thai Prime Minister Prem Tinsulananda and the Deputy Prime Minister Bhichai Rattakul in Bangkok and exchanged views on matters of mutual interest. They had in-depth discussions on Thai-Bangladesh cooperation particularly in the industrial sector. The DCMLA explained the present liberalised industrial policy of Bangladesh Government and its emphasis on joint collaboration in engineering, leather, gas processing, food packaging and ventures in the communication sector. The Prime Minister evinced keen interest in the suggestions made by the Deputy Chief Martial Law Administrator and promised positive encouragement towards achievement of such objectives for mutual benefit. Air Vice Marshal Mahmud briefed the leaders on the recent political development in Bangladesh including general election and the forthcoming presidential polls. [Text] [Dhaka THE NEW NATION in English 17 Sep 86 p 8] /9274

CSO: 4600/1073

INDIA

COMMENTATOR WELCOMES U.S. TECHNOLOGY TRANSFER

BK251415 Delhi General Overseas Service in English 1340 GMT 25 Sep 86

[H.N. Kaul commentary: "U.S. Technologies for Indian Modernization"]

[Text] The successive 5-year plans launched since independence insured India's industrialization and agricultural advance. As a result, India has come to be ranked as the 10th industrialized nation of the world. But it has still a long leeway to make in modernizing its newly set-up industry and the age-old agriculture. This is partly because India, while industrializing, had, for political factors, to choose middle technology and largely because technology advance took a quantum jump in the intervening years, especially in metallurgy and electronics. Indeed, electronics has undergone revolutionary changes and has emerged as a distinct industry as compared to other industries. To insure modernization of its industry and agriculture, the genetic engineering has overtaken high-yielding varieties. A series of steps have been taken by the government during the ongoing Seventh 5-Year Plan, the significant one being the conclusion last year of the memorandum of understanding, MOU for short, between India and the United States. Under the MOU, the United States agreed to permit export of high technologies to India ordinarily open only to America's close allies. Another step taken was to plan a gigantic growth rate for the nascent indigenous electronics industry through fiscal and other measures so as to enable India to build a production base of 500 billion rupees during the eighth plan period from an envisaged seventh plan target of 100 billion rupees. The third policy step taken was to amend the industrial policy resolution of 1956 to throw open to the private sector telecommunications, development of which was hitherto the exclusive responsibility of the state.

The significance of the MOU is underlined by the requirements of high technologies by electronics and the allied telecommunications industry in both of which extensive gaps exist in Indian skills and knowledge. The MOU is only 1 year old, but the inflow of technology from the United States has begun. No less than 66 licenses have been approved by the United States for export of technologies to India. In electronics, several fields have been identified for Indo-U.S. joint ventures. One such joint venture already sanctioned by the U.S. Government is that of the Control Data Corporation for the manufacture of the main frame computer in India. Several other American companies, including Deck, Rockwell, and Motorola, have evinced interest in India. Even more, if the latest reports from the United States are of any guide, America appears to have at last agreed, subject to safeguards, to permit export of supercomputers to India to help predict monsoon so vital to Indian Agriculture.

Another big development recently was a just-concluded visit of a delegation of the United States telecommunications industry. As in the field of electronics, so also in the area of telecommunications, leading American companies such as AT&T wish to step into India which the Americans think has a large market of \$6 billion during the current seventh plan itself. Not only are these companies to come over but agreeably they also visualize a scope for funding agencies and bilateral credits to finance modernization and expansion of telecommunications in India.

When the MOU was signed during the Prime Minister Mr Gandhi's visit to America, President Reagan had committed his country to aid in modernizing India. This commitment was reiterated during the visit to India of the delegation of American telecommunications industry, Mr Harold Goldfield, assistant secretary of state for commerce [position as heard]. At the conclusion of their visit, Mr Goldfield foresaw a wider scope for the United States licensing export to India of telecommunications, process control, and electronics items and technology. He committed himself to explore on his return to Washington more ways of expanding cooperation between the two countries.

A more authentic reiteration of America's assistance to India has once again come from President Reagan himself when the new Indian ambassador presented recently his credentials. President Reagan then said that he had made a commitment to Mr Gandhi that the United States would help him as fully as possible in modernizing India. If political factors had partly weighed in withholding in the past the advanced technology to India, these very considerations now appear opening wide America's doors to India.

/12232

CSO: 4600/1097

INDIA

PAPER VIEWS ISSUE OF U.S. SALE OF SUPERCOMPUTERS

BK011451 Delhi THE HINDUSTAN TIMES in English 27 Sep 86 p 9

[Editorial: "Computer Complexities"]

[Text] The Reagan Administration appears to be in a dither regarding the sale of supercomputers to India. To sell or not to sell is the big question on which there obviously is a tussle going on between the State Department and the Defence Department, more particularly the Pentagon. The White House is not as yet quite sure which view to accept, the Pentagon's or the State Department's. The Pentagon is emphatic in its refusal for fear of the Soviets eventually ferreting out the computer secrets from India, while the State Department does not want to be so blunt, lest India starts looking towards Japan which is in a position to compete with the United States on very favourable terms in this very field. That would mean denying U.S. computer firms their share of the Indian market. Realising the risk involved in not sounding their Japanese allies in advance, the U.S. State Department is now using its influence on the Japanese business groups in an attempt to get them to agree to controls against third nations' use. The third nation it has in mind is India.

Earlier there was talk in Indian Government circles that if India were to find U.S. conditions for the sale stiff or against the national interests, New Delhi would be free to shop in Japan. At present India is interested in Cyber supercomputers made by Control Data Corporation. The White House is in a quandary about what to do next. Initially the reports from Washington were quite encouraging and it almost seemed the deal had been clinched and it was only a matter of time before the machines landed in India. But then doubts started and reports about U.S. conditions on the sale were leaked to the press, so also New Delhi's reaction to such conditions.

Now it appears nobody is quite sure where the line would be drawn. New Delhi may not take kindly to the United States dictating terms to Japanese computer firms, just because it fears leakage to the Soviets. And if the Japanese yield to U.S. pressure tactics and impose their own conditions to the sale, New Delhi may not be inclined to cave in to such double pressure. The United States knows that the supercomputers may not remain the monopoly of the United States and Japan for long. As against only 167 giant computers in the world now, they expect some 3000 in another 6 years. Some European computer firms may also produce their versions of supercomputers soon; already the optical fibre technology is on the way to revolutionise the computer field.

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CSO: 4600/1098



INDIA

DELHI SUSPECTS PAKISTANI COVERUP IN PAN AM HIJACKING CASE

Madras THE HINDU in English 27 Sep 86 p 1

[Article by G.K. Reddy]

[Text]

NEW DELHI, Sept. 20

The Government of India is getting more and more suspicious of Pakistan's continued reticence and disinclination to disclose the findings of the investigation into the antecedents of the four terrorists who killed so many innocent Indian passengers and injured many more on the hijacked Pan American plane.

The Pakistan authorities have so far said nothing about the names, nationalities and political affiliations of these hijackers who had evidently acted in collusion with some local elements to gain access to the high security area at Karachi airport.

**U.S. attitude inexplicable:** What has been perplexing the Government of India is not that Pakistan has chosen to say so little about the tragic event, maintaining that no further details can be disclosed until the completion of its investigations but that the United States, too, has been adopting an inexplicably indifferent attitude without exerting any pressures on Pakistan to tell the world who these hijackers are and what they have said during their intensive interrogation.

As soon as he heard in Harare about the seizure of the Pan Am jumbo jet at Karachi airport on September 5 by these terrorists, the Prime Minister, Mr. Rajiv Gandhi, had contacted the Pakistan President, General Zia-ul-Haq, to ascertain details of the incident and urge strong action to save the lives of the Indian passengers on the plane. He was told by Gen. Zia that the hijackers appeared to be Libyans and at least one or two of them spoke Urdu implying that they were not complete strangers to Pakistan.

The Prime Minister immediately got in touch with the Libyan leader, Col. Qadhafi, to ascertain whether his country was in any way involved in this ghastly incident, since he was apprehensive that the U.S. might take retaliatory action against Libya if it was true, since the hijacked aircraft belonged to an American airline.

It was at Mr. Rajiv Gandhi's instance that Col. Qadhafi issued a statement in Harare itself, saying that Libya was not involved in this hijack episode. The Prime Minister acted swiftly to get this clarified, since he did not want this incident to escalate into a major crisis in the midst of the nonaligned summit.

**No basis for Pak. conclusion:** But there is no explanation from Pakistan on what basis Gen. Zia jumped to the conclusion that these hijackers were Libyan terrorists or Palestinians supported by Libya, and why he is now fighting shy to disclose the true identity of these despicable men. It is impossible for India to accept the Pakistani alibi that even after three weeks of intensive interrogation, the notorious Federal Investigation Agency (FIA) which is not averse to resorting to the worst forms of third degree methods to extract confessions has not been able to crack these terrorists and find out their antecedents.

It is against this background that the Government of India is now veering round to the view that Pakistan is engaged in a big cover-up operation and that the truth, at any rate the whole truth, of who these hijackers are, who instigated them and who were their local contacts will never be made known fully in these circumstances.

/9317  
CSO: 4600/1080

INDIA

## GANDHI REJECTS DEMAND TO SHIFT ORISSA TEST SITE

Calcutta THE TELEGRAPH in English 1 Oct 86 p 5

[Text]

**Balasore, Sept. 30 (PTI):** The Prime Minister, Mr Rajiv Gandhi, has rejected the demand for shifting the site of the national test range from Orissa's Baliapal-Bhograi area in the Balasore district to elsewhere.

In his reply to Mr Samarendra Kundu, former Union minister and Janata Party leader, Mr Gandhi said "the matter has been considered by the government and a decision has been taken after keeping all aspects in view."

Mr Kundu, had urged the Prime Minister to shift the site to some other place where no or minimal destruction of property and displacement would take place.

About 41,000 people of 54 villages of Baliapal and Bhograi are required to be shifted to make room for the project. Mr Kundu released to the press Mr Gandhi's reply today

A team of Opposition leaders of Parliament will visit the Baliapal-Bhograi area on October 17, according to Mr Biju Patnaik, leader of the Opposition in the state Assembly.

Mr Patnaik told newsmen here today that the team, would comprise Prof. Madhu Dandavate (Janata), Mr Atal Behari Vajpayee (BJP) Mr Madhav Reddy (Telugu Desam) and some CPI and CPI(M) MPs.

The Orissa Janata Party president, Mr Biju Patnaik, today said that his party would not organise any demonstration during Mr J.B. Patnaik's visit to Baliapal.

Mr Biju Patnaik told newsmen that he had not challenged the chief minister to undertake a visit to Baliapal but urged him to go there and convince the people of the location for the test range site and rehabilitation facilities. It was entirely up to the people to decide on protest rallies, he added.

### Patnaik visit a ploy

**Our Correspondent adds:** The Orissa chief minister, Mr J.B. Patnaik's scheduled visit to Baliapal, the site of the national test range (NTR),

is considered in state Congress(I) dissident and Opposition circles as an "attempt by him to impress the party high command that the establishment of the defence unit would be smoothened with him as the chief minister."

The political significance of the Baliapal visit is particularly heightened by Mr Patnaik's trip to Delhi from today to October 2, they felt. The dissidents said that during his stay in the capital, Mr Patnaik would try to convince the high command that he could ensure implementation of the project on schedule by meeting the challenge of the Opposition-sponsored movement against it and pacifying the agitated people of the area.

The rebels said Mr Patnaik would not have planned a visit to Baliapal but for their persistent demands to the high command for his ouster. "The chief minister has been particularly shaken after the meeting of a team of dissident ministers with the Prime Minister last week," they said.

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CSO: 4600/1087

INDIA

## MAJOR CHANGES IN ADMINISTRATION PLANNED

Madras THE HINDU in English 1 Oct 86 p 7

[Article by G.K. Reddy]

[Text]

NEW DELHI, Sept 30.

A good many Central Ministries and Departments are going to be chopped and changed, regrouped or reorganised, in the course of the next one year, perhaps in several stages, to provide for a more equitable division of administrative responsibilities at different levels for improving the quality of Government.

There are many big Ministries at the Centre which have expanded enormously over the years and become accustomed to functioning as little empires by themselves, often working at cross-purposes in formulating policies or implementing decisions, in the absence of a well integrated approach through closer coordination and higher direction.

The Prime Minister, Mr. Rajiv Gandhi, who has made many peripheral changes in the course of successive Cabinet expansions, intended to go in for a much wider reorganisation during the impending reshuffle. But he has not yet been able to give a final shape to his plan of action for shaking up the big banyan tree and making some innovative alterations in the elephantine machinery of the Central Government.

Though some major adjustments are bound to be made in the course of the next Cabinet reshuffle, it will take some time for the Prime Minister and his advisers to take a critical look at the present functions of each Ministry and Department and come forward with some imaginative ideas for recasting the existing structure of the administration.

The big Ministries like Home, Finance, Defence, Industry, Commerce and even Human Resources are now entrusted with so many responsibilities that they have become quite unwieldy and too diversified for even senior Ministers to exercise the right measure of control over their multifarious functions. But the remedy for their unregulated growth since Independence does not lie in splitting them up into smaller Ministries with limited functions.

The Prime Minister has first to evolve in an impersonal way an administrative concept that is better suited to the country's requirements and capable of achieving quicker results in the implementation of the Government's welfare programmes. It is no use tinkering with the present bureaucratic system without first devising alternative administrative procedures better suited to the present political dispensation, which is also in an equally run-down state, riven by many unhealthy influences.

The Prime Minister's move to have periodic refresher courses for both Ministers and senior officials to enable them to get better acquainted with the dynamics of the modern management culture is, no doubt, well intentioned to the extent that it exposes an insular political leadership and change-resistant bureaucracy to an awareness of their inadequacies through critical self-exposure. But in the absence of better opportunities for the application of this new management culture in the governance of the country there is a risk of the whole effort being reduced to a publicity gimmick at best.

In his well-meaning desire to improve the quality of his Government, Mr. Rajiv Gandhi is not overlooking all these aspects now playing the ostrich by ignoring the many glaring inadequacies of the system. He is only trying to create an awareness of the need for better administrative standards and a more result-oriented philosophy of Government.

In the absence of this clear distinction, the politics of Cabinet changes is getting mixed up with many mistaken ideas of administrative reorganisation by merely splitting up Ministries or regrouping Ministries which cannot be done in a haphazard way without causing greater harm.

The current thinking, therefore, is to tackle this problem of administrative reorganisation at two levels—first with a few changes in the more immediate context of a Cabinet reshuffle and then in a more comprehensive manner in different stages.

/9317

CSO: 4600/1088

INDIA

CONGRESS-I, ZAMBIAN PARTY SIGN COOPERATION PROTOCOL

Bombay THE TIMES OF INDIA in English 30 Sep 86 p 9

[Text]

BOMBAY, September 29.

A PROTOCOL of co-operation between the United National Independence party of Zambia and the Congress party was signed tonight in the BRCC premises.

It was the first such protocol to be signed in Bombay and was hailed as historic both by Mr. R. C. Kamanga, member central committee of the UNIP and chairman, rural development committee of Zambia, and Mr. Bhagwat Jha Azad, general secretary of the AICC.

The protocol reiterates the commitment to the principles of the non-aligned movement and co-operation for the period 1986-89. The two parties will promote bilateral exchange of party delegations and study delegations and exchange of publications and other materials regarding the parties. The parties will also promote friendly relations between their different organisations.

Mr. Kamanga spoke of the very close co-operation with which the two countries worked in the non-aligned move-

ment, the Commonwealth, the U.N. and on different issues. He appreciated the support given by India to front-line African states and hailed Gandhi's role in South Africa.

Mr. Bhagwat Jha Azad said Mr. Rajiv Gandhi was working to strengthen the very close ties established by Mr. Kaunda, Jawaharlal Nehru and Mrs. Indira Gandhi.

He told Mr. Kamanga and other members of the Zambian delegation that India's expertise in agriculture would always be at the disposal of Zambia.

Mr. Azad referred to the cultural relations between the two countries and exchange of press and parliamentary delegations. He expressed confidence that apartheid would be dismantled soon.

Mr. Murli Deora, BRCC president, welcomed the gathering. A small change was made by the Zambian side in the protocol format which had been prepared by both the sides earlier. The words — chairman, rural development committee — were added to Mr. Kamanga's designation in the protocol.

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CSO: 4600/1085

INDIA

WORLD BANK FUNDS COMMITTED TO INDIA NOT DRAWN

Madras THE HINDU in English 3 Oct 86 p 4

[Article by N. Ravi]

[Text]

WASHINGTON, Oct. 2

The World Bank has found the level of disbursements of its loans to India "disappointing" over the last two years, with \$6 to 8 billions of committed money lying undrawn.

The Bank's Vice-President, Mr. W. David Hopper, said yesterday that while the delay in drawing the money had its costs in lost economic opportunities for the country, it would not affect the Bank's future lending to India. The Bank saw it as a temporary phenomenon and expected disbursements to rise soon to the normal levels.

In a normal project with a five year span about 20 per cent of the committed money would be drawn every year on an average and, in India's case, the drawals had even touched 25 per cent in some years. It had, however, now fallen to between 14 and 16 per cent.

**No wilful sloth:** If one looked at the reasons for the delay in drawing the money, one found that each project had its own rationale. "We have not seen any wilful sloth on the part of the Government of India in submitting withdrawal applications," Mr. Hopper said.

Two factors, the fall in material and civil works costs in the last two years and the desire to take advantage of them, and the concern over the environmental impact of some of the projects accounted for 70 per cent of the delay. The rest could be attributed to other factors including political uncertainty.

In some Bank-aided projects, the price of civil works had dropped and the Government of India was seeking to take advantage of the fall through retendering. The prices of pipes, for instance, had fallen by 40 to 50 per cent.

The Government was obliged to pay 0.75 per cent as commitment fee on the undrawn balances. But the gains from retendering amounted to far more than this fee.

Secondly, Mr. Hopper said, there was the Prime Minister's personal concern over ensuring that the environmental concerns were sufficiently addressed. This applied to such pro-

jects as the Narmada project and the Upper Ganga Canal in Uttar Pradesh.

**Uncertainties:** He pointed out that disbursements had fallen quite drastically with the assassination of Indira Gandhi when the bureaucracy was gripped by paralysis. Then, with the new Government and the elections, decision-making inevitably slowed down. With the elections in the States, the new Governments there reviewed the projects and several of the projects where delays had occurred were State projects.

For India, there was always a pattern of disbursements with a sharp fall in drawals during the July to November rainy season when construction activity slows down and the peak being reached in March and April. It was too early to comment on the 1986 picture, but he (Mr. Hopper) had reason to believe that the disbursements would be closer to track.

**Temporary phenomenon:** In the Bank, India had always taken pride in its ability to use the money quickly. Would the delay in drawals affect the Bank's future lending, Mr. Hopper was asked. He said he was not unduly worried over this aspect as he saw the delay as a temporary phenomenon. Only if it was found that a project span was extended to 7 to 10 years consistently would there be long-term implications. "With the current fall in prices, you can afford to dicker a while," he said.

**Share of India and China in IDA VIII:** Of the new eighth replenishment of the Bank's soft-lending affiliate, the International Development Association, the share of India and China has been set at 30 per cent which is slightly below the 32 per cent level in IDA-VII. However, with the size of IDA-VIII higher at about \$12 billions as against the \$9 billions of IDA-VII, the amount would be higher in absolute terms.

The split of this 30 per cent between India and China had not been decided upon, but Mr. Hopper expected to maintain the same ratio of two-thirds for India and one-third for China as in IDA-VII. As Vice-President in charge of South Asia, he was arguing that on a series of



data, China was ahead of India and its claim on IDA as a poor country was not as strong. China had a higher per capita income, higher exports and was a larger energy producer.

**China's claim:** On the other hand, the argument for China was that India has had access for a long time to IDA while China had not borrowed earlier. That, however, was the result of China's own decision, Mr. Hopper pointed out.

For India, there had been a very pronounced trend in the composition of World Bank lending with a substitution for interest-bearing IBRD loans for the interest-free IDA credits. Five years ago, IDA credits amounted to around \$1.6 billions and IBRD loans to \$400 millions. Now, the situation had reversed with \$600 millions of IDA credits and \$1.7 billions of IBRD loans and had stabilised at this level.

Following the moves of Indira Gandhi who began the liberalisation process, the Government of India had made some extraordinary moves, particularly in tax reform and Mr. Hopper was happy that these areas are the current focus of concern also. The Bank did not expect changes overnight, it was aware of the complexities of running a country of 800 millions people when half a million could be brought out to riot on any issue. It was easy for someone sitting in Washington to say what should be done without regard to the complexities of the situation, Mr. Hopper said.

On exports, he wanted the country to be more aggressive in selling abroad. "India can

be very much more competitive abroad that it thinks it can be," he said.

**No pressure to devalue:** Asked what the Bank felt about the current level of the rupee, Mr. Hopper said there was no question of any pressure to devalue. The exchange rate question was left to the IMF and the Fund was "pretty happy" with India's current exchange rate policy.

The Governor of the Reserve Bank of India, Mr. R. N. Malhotra, who is the leader of the Indian delegation to the annual conference, said the meet overall had been a tame affair and India, in any case, did not come with high expectations. The Finance Secretary, Mr. S. Venkataramanan, said the delegation was "neither surprised nor shocked" at the conference decisions.

**Conable's statement impressive:** The delegation was impressed by the forthright statement of the World Bank's new President, Mr. Barber Conable, that the Bank's focus would be on development and poverty alleviation and that it would not function as a debt relief agency.

There was however, concern over the move of the IDA Deputies to reduce the maturity of credits from the current 50 years to 35 years for countries like India and to 40 years for the least developed and pure IDA countries. While the burden on India from this change would not amount to very much—the grant element would only come down from 81 per cent to 77 per cent—it was opposed in principle to any hardening and differentiation between recipients.

/9274

CSO: 4600/1090

INDIA

## EEC TO AID INDIA IN RAISING FISHERY EXPORTS

New Delhi PATRIOT in English 3 Oct 86 p 11

[Text]

The European Economic Community (EEC) has agreed to provide India \$ 0.45 million for financing technical and capital equipment for the country's seafood industry, reports PTI.

Exports of seafood increased from a mere Rs 60 crore in 1972-73 to nearly Rs 400 crore in 1985-86.

With the country's exclusive economic zone (EEZ) expanded to 200 km over its vast coastline of about 6000 km, India has a vast potential to tap the marine resources in high seas. It has set an export target of seafood products at Rs 700 crore in the current Plan by 1990.

The main object of the EEC agreement is to create the necessary infrastructure in India for export of value-added fish and shrimp products through capital equipment assistance to the Indian fishery industry through the Marine Products Export Development Authority (MPEDA) based in Cochin, according to a MPEDA publication "Seafood Newsletter".

The agreement covers areas like introduction of new technology and equipment, training on

pre-harvest and post-harvest technology in quality control, product-oriented schemes, identification of markets for value-added products and test marketing and joint ventures with buy-back arrangements.

The Government has decided in favour of going in for joint ventures in fishing industry as it has found that the policy hitherto of allowing the industry to have chartering arrangements for fishing vessels has not paid dividends.

According to official figures, India proposes to build up a fleet of about 500 deep sea fishing trawlers by the end of 1990 from its present strength of about 90. Last year alone, the Government has recommended a record number of applications for 120 trawlers.

One of the biggest trading houses in Japan, M/s Mitsubishi Corporation, are among those who are ready to help India in packing slimy cuttlefish and squid to boost India's exports to Japan. The company is of the view that these products could be developed into promising export items on the lines of shrimp, the "Newsletter" said.

/9317

CSO: 4600/1091

INDIA

# GOVERNMENT URGED TO REGULATE TRADE UNIONS

Bombay THE TIMES OF INDIA in English 29 Sep 86 p 8

[Editorial]

[Text]

The tripartite standing labour committee, meeting in New Delhi after 15 years, has once again failed to resolve the raging controversies within the trade union movement which have held up a drastic reform of the country's archaic and moth-eaten labour laws for so long. The deadlock only underscores the need for the government to take the bit between its teeth and do so on its own. Any hope that half a dozen major central trade union organisations will ever reach an accord on how to designate the statutory bargaining agent in a plant or industry, reduce the multiplicity of unions or revamp the official machinery for the management of industrial relations is moonshine. While most of the leftist unions are still steadfast in their view that the principal bargaining agent should be selected by secret ballot, the Indian National Trade Union Congress, the single largest organisation of workers in the country, continues to maintain that such recognition should only be granted through verification of membership. The National Commission on Labour had favoured the check-off system, under which the employer regularly deducts dues from the employees' pay on behalf of the unions, way back in 1969. But the proposal is still hanging fire. Nor are there many takers in the trade union movement for the NCL's other proposal that industrial relations commissions, with sweeping powers, should be set up to settle wage disputes speedily. The conference in New Delhi has, no doubt, unanimously agreed that steps should be taken to reduce the multiplicity of unions but the central trade union organisations are still bitterly divided on how to go about it. For, most of them have a vested interest in the existing provisions of the Industrial Disputes Act, 1927, which permit any seven workers to get together, and register a union.

The Union government, however, cannot afford to burke its responsibility much longer. It has rightly agreed to several suggestions for extending new benefits to organised labour. Thus employees' provident fund contributions are to be raised from eight to ten per cent, the Factories Act will be amended to safeguard the health and safety of the workers, minimum wages will be hiked on a regional basis and so on. But all this makes it all the more necessary for the government to curb the power of maverick unions and put industrial relations on an even keel. At present inter-union rivalry, not demands for higher pay or benefits, is the biggest single cause of work stoppages. And, more production is "lost" by go-slows, gheraos, work-to-rule and other illegal forms of attrition than by strikes or lock-outs. The government alone can put an end to the prevailing chaos and enforce discipline on the shop floor.

/9317

CSO: 4600/1083

IRAN

## JUSTICE MINISTER COMMENTS ON CONSTITUTIONAL ISSUES

Tehran KEYHAN in Persian 1 Sep 86 p 3

[Text] Zanzan--KEYHAN correspondent: In an interview with KEYHAN newspaper, the minister of justice made some statements about the role of the judicial system concerning inflation, profiteering and hoarding, the measures taken by the Justice Department to combat a shortage of judges and the recent announcement by the prosecutor's office regarding the subpoena of the military, economic and political officials of the former regime.

Dr Habibi, minister of justice who on the occasion of Government's Week and to impart the cabinet's message to the martyr-nurturing people of Zanzan visited that province while meeting with the martyrs' families and reviewing the completed work on the level of that province, took part in a special interview with KEYHAN and answered our correspondent's questions.

First, Dr Habibi, minister of justice while talking about the role of the judicial system in connection with inflation, profiteering and hoarding, said: In reality, the issue of inflation and overcharging carries two aspects with one economic significance which has nothing to do with the judicial system; however, encountering profiteering and the causes of inflation and profiteering and its connection with the justice department and other related issues all pertain to the programming and economic system of the country. He further added: In order to fight profiteering, inflation and hoarding, first of all one should enact laws. The law-makers have to specifically determine the punishment for each case so that our justice system can, based on such laws, mete out appropriate punishments to the offender(s). He also said: The judicial system is in need of a law which clearly defines both the offence and the proper punishment and the plan which has recently been approved by the Majlis representatives with due amendments by the Council of Guardians has two articles. The first article defines the case of hoarding according to the imam's decree, together with other cases of religious law [jurisprudence] where the subject of hoarding has been defined. The second article describes hoarding and the situation accordingly. He went on to add that recently, his eminence, the imam, issued an order for four people, two from the Council of Guardians, the head of the Majlis Judicial Commission and the head of the State Supreme Court to determine the proper punishments for such cases and according to the punishments, which will be determined by this group, the judges must take action in a fitting manner. Furthermore, these cases, as determined by the Council of Guardians and according to article 185, ought to be approved by the Majlis. That is to say, the house



of representatives must also approve the applicable punishments which are determined by the four aforementioned members--thereafter they can be viewed as law.

While pointing to the need for law in a society, he said: The existence of law for the judicial system is necessary. Where and if there is no law each judge will pass a different kind of judgement for a specific case and such irregularity will be even worse than the primary disorderliness of no law at all.

In answer to the question regarding the shortage of judges throughout the province of Zanzan and what steps have been taken by the Justice Department to rectify the situation, he said: The province of Zanzan in comparison to other provinces is faced with a milder shortage of judges. While pointing to the fact that of 3,000 approved position for judges we are one-third short, he also noted that the blame should not be directed at a shortage of money. The thing is that we have sufficient budget, however we do not have enough qualified judges. We can attract or fill these positions with some university graduates, but most of the clerics, for reason of teaching engagements and other personal preferences will not accept judgeship positions. We use the services of volunteer clerics and likewise encourage and request other religious jurisprudents to join the justice system.

He further added: Through persistent and incessant requests of the people from the scholars and men of learning they can convince them to join the Justice Department and thus resolve this major problem of our justice system.

In answer to the question regarding a lack of proper dress and veil for women what programs are being planned by the government and what are the obstacles which hinder such programs, the minister of justice said: Lack of proper dress or veil can be divided into two parts. First, the indecorous behavior and unbecoming dress about which there is now a bill pending in Majlis which deals with unsuitable and improper dress and those stores which sell this type of outfit. The other part of this measure deals with racy and off-color films and proper punishments for the perpetrators. The second part which concerns a lack of proper veil relates to cultural aspects where the government has to prepare certain programs and put them into effect in order to enhance the level of the general public's awareness in relation to our culture. So far as this matter concerns un-Islamic aspects, there are certain limited punishments which can be executed by the justice system.

As regards the judicial police, he said: The judicial police are charged with disciplinary responsibility, the arrest of people, the execution of decrees and administration affairs of the prison system. He further added: After the advent of the revolution, formation of the judicial police was approved by the Revolution Council and contrary to the domain of authority of the Justice Department, the judicial police both from the viewpoint of administration, instruction and order are answerable to the Prosecutor's Office. Furthermore, the judicial police are going to have a training course which will be equivalent

to post-secondary education and with respect to the method of training and instruction, those individuals who have passed such a course can very handily tackle investigative tasks.

Regarding the recent announcement by the Prosecutor's Office of the Islamic revolution pertaining to the subpoena of economic, military and political figures of the former regime he said: The law which was ratified by Majlis in 1363 [21 March 1984 - 20 March 1985] contains one article whereby the general prosecutor is given authority in 13 various situations to prosecute these individuals and bring them to justice. These would include all the former SAVAK employees, members of intelligence organizations, members and proprietors of multi-national companies, ministers, deputy ministers, supervisors, etc... This law is a derivative of Article 49 of the Constitution which obligates the government to confiscate the wealth obtained from extortion, bribery, embezzlement, usury and theft and return the same to its lawful owner. In the former regime there were some individuals whose state of possessions were not quite clear and our judicial system would like to know whether their holdings are legal or not. In cases where, after proper verification and investigation it becomes clear that some people are in possession of illegal wealth, such fortunes will be returned to their lawful owners.

As regards the 49th Article of the Constitution, he said: Article 49 is one of the best and most comprehensive articles which not only applies to the past, but also covers the present and the future as well. He went on to say: If anyone, God forbid, gathers an unlawful fortune in the Islamic Republic, even if he has a high position, according to this article he can be prosecuted. Thus, one of the characteristics of Article 49 is that it cannot go out of date and prohibits anyone who attempts to gather illegal wealth.

Regarding Iranian fugitives abroad, he said: Through the extradition law, Iran can bring back the offenders. Namely, Iranian courts through the Ministry of Foreign Affairs request the extradition of those individuals who are residing abroad and likewise we will reciprocate with those countries which have such agreements with us. However, at certain instances we see that some countries which harbor counterrevolutionaries, in opposition to the revolution and the Islamic Republic, procrastinate and resist such requests from the Iranian government or even reply in negative to our demand. This is a political dispute. The same way we have a larger dispute with those governments, this quarrel also stands at the diplomatic level. What is certain is the legal right of the Islamic Republic and we will seek the extradition of such individuals from them.

In answer to the question by our correspondent regarding the reason for delay in investigating the files of some individuals, he said: This also pertains to the issue of one-third shortage of judges throughout the country. Where and if we notice a backlog of files in certain districts we will add one more judicial court to the existing ones and thereby resolve the problem. He also said: Another reason for delay in investigation of the files is that the Justice Department has a special method of dealing with these files where it tries

as far as possible to protect the rights of all concerned.

While explaining the prosecution laws, he said: These laws have determined certain obligations for both sides of a claim which in itself cause further delay in investigation of the files. For instance, we can mention the case where one of the parties to a claim will not appear before the court or in certain cases where both sides of a lawsuit do not observe the proper regulations of the Justice Department. While in other cases, because of the significance of the particular case and relevant investigations by the pertinent officials, some delays occur, at any rate. He further said: Most important of all is the transfer, resignation, death or leave of judicial officials which can also affect this process. While explaining the work procedure of the Justice Department, he added: The work of Justice Department is complex and one of the reasons that we cannot have rapid results is that we are short of about 1,000 more judges which automatically cause one-third of our workload to be delayed.

In conclusion, the minister of justice added that as of last year the government decided to organize all the possibilities necessary to continue the war and we duly emphasize this measure. What was definitely decided and approved from the very beginning was that we agreed not to reduce even one cent from the war budget and that all the possibilities of our government will be at the disposal of the war and if needed we can economize a little in our budget. Some of the ministries are wholly at the disposal of the war and follow everyday activities of the war accordingly. As has been stated by the imam, what is surplus has to be put at the war's disposal.

12719

CSO: 4640/13

IRAN

# MINISTER COMMENTS ON WAR ECONOMY, PROFITEERING

Tehran KEYHAN in Persian 1 Sep 86 p 3

[Text] Khorramabad--KEYHAN correspondent: While only the annual budget of the Ministry of Education and Training is about 550 billion rials, the total collected business tax throughout the country reaches the meager figure of 40 billion rials a year--this is at a time when the total income from the commercial and private sector approaches the total figure of state budget--this is something quite unacceptable.

Engineer Zanjani, minister of plan and budget, who at the head of a delegation, on the occasion of government's week is visiting Lorestan, in a press interview with correspondents while making the above statement also answered other questions put to him by the reporters.

Zanjani stated: All those individuals who have made a fortune as a result of the prevailing war circumstances in the country, ought to somehow return their windfall to the government to make it possible for the government to properly run its affairs. Furthermore, at a time when the government allocates 550 billion rials for the Ministry of Education and Training to be spent on 10 million students, the total collected business tax throughout the country does not exceed 40 billion rials--this is something unacceptable, particularly when the income of the commercial sector alone approaches the total budget figure of the country. We cannot sit idle and watch our children being deprived of a decent education while a special group reaps enormous wealth.

Thereafter, the minister of plan and budget talked about the natural and god-given resources of the Lorestan Province and said: All the necessary god-given privileges are present in the province of Lorestan for producing a blooming agricultural and economic market and with sufficient care it can become as an exemplary province in the economic area, particularly in the field of agricultural products and stockbreeding. For instance, the surplus wheat production of Lorestan in the last few years has increased five times.

Another issue is the irrigation water in this province which of a total available 11 billion cubic meters of irrigation water only utilizes about one billion cubic meters. This is quite an extensive possibility which if properly bridled can expand the agricultural lands both from the viewpoint of output and acreage--which certainly will be very helpful to the economy of the country in the long run.

In another part of his statements he said: One of the problems is that a handful of opportunists and seekers of self-interest are trying to rob the possibilities of the government and the nation so that it cannot fulfill the policies which are the very voice of the leadership and the nation alone. We expect the Islamic Consultative Assembly [Majlis] to be more decisive in securing the budget of fiscal year 1366 [21 March 1987 - 20 March 1988] so far as tax receipts are concerned. We also expect that it will promptly decide and approve the law concerning the collection of income taxes from those individuals who are making enormous profits so that the government can act accordingly.

As regards oil revenues, he said: The important thing is how and where we use our oil revenue. The Ministry of Plan and Budget is of the opinion that if we have a high income from our oil we must not use it all on meeting the demands of the current budget, salaries and so forth, but we ought to save such revenues for investment and income-producing sources for future generations. It is duly predicted that a few percent of the total state budget ought to be secured from the tax income and similarly the budget reduction from the decrease of oil revenue has to be met by incomes from tax revenues and other non-petroleum export items.

For example, during 1941 to 1945 when a war was going on, in France those individuals who had accumulated wealth over and above their expected means, with proper approval of the French government their revenues were returned to government, because that country was engaged in a war. I personally believe as far as possible, both from the technical and execution viewpoint we should replace the income tax with oil revenues.

As regards the execution of those projects which have remained unfinished or are half-completed, Zanjani said: Such projects will be revised according to their significance and priority will be given to the ones which occupy an important role on our roster and measures will be taken to continue or start their operation.

Concerning the resources for securing the budget of the country for next year, the minister of plan and budget stated: The Ministry of Plan and Budget as a responsible organ for preparing the total state budget, with respect to new economic methods, believes that the reduction of budget size should be replaced by tax incomes. In another part of the interview, he added: The state budget consists of three sources of revenues, namely income taxes, oil revenues and other resources and in 1365 [21 March 1986 - 20 March 1987] non-oil incomes comprise a large portion of the budget figure and with due respect to the present circumstances that may also continue on in the future, this ministry has recommended and emphasized the tax collection measure to the government and in the very near future it will present the same to the Economic Council as well.

As regards the increase in the revenue from export of non-oil products, he said: According to the latest forecast, it is expected that in the current year we



will make about one billion dollars from the export of our non-oil revenues. However, this figure in comparison to 19.5 billion dollars of foreign exchange income from oil for 1365 [as predicted] seems quite insignificant; yet considering the price reduction of oil and the sharp decrease in revenues from 19.5 billion dollars to 10 billion, even one billion dollars from non-oil sources would seem very significant and can play an important role in the present economy of our country.

He further added: The Customs Organization's announcement regarding the measure that all the industrial concerns can import or export their products without paying commercial taxes, is a very appropriate act. As regards the situation of planning in the province of Lorestan, he said: The Planning Council of the Province is obligated to start comprehensive programming for the province and utilize the help and assistance of the experts throughout the province, and where necessary it can seek the assistance of the central province [capital] experts for evaluating and investigating the various capabilities of the province. Thereby, we can visualize the future economic growth of this province, both in the cities and villages and continue on with further planning. With due consideration to the agricultural capabilities of the region, the agricultural investigation budget will be announced so that in a short time we can eliminate the existing problems.

Regarding his visit to Parsilon Plant in Khorramabad, he said: Part of the difficulties of this plant emanates from a lack of sufficient foreign exchange and the dependency of other parts on foreign countries. In connection with the independence of our country's industries and with respect to the particular economic circumstances which are to be separated from any dependence on oil revenue, all the plants will, in the future secure their needed foreign exchange from their own income. In a similar fashion, in order to import the needed raw materials for these plants and export their products it has been recommended that pertinent negotiations to be carried out with interested countries. We can certainly consider such moves as an economic independence move and it is necessary to pursue such moves with earnest so as to make it feasible for these industrial units to stand on their own feet and not be attracted towards the banks or the government.

As regards his visit to the Meat Packing Complex of Lorestan and Khorramabad Pasteurization Plant, he said: An enormous sum of capital has been invested in the Meat Packing Complex of this province and thereby extensive possibilities have been created; however, with regard to the stockbreeding capabilities of the province which can easily provide for the needs of its own inhabitants and other neighboring provinces and thus play an effective role in the new economic policies of the government, unfortunately due to improper policies its capabilities have not been duly utilized and still some inadequacies are present in the way of its proper progress.

Concerning the Pasteurization Plant of Khorramabad, he said: Ninety-seven percent of this milk pasteurizing plant has been completed and only three percent of the work remains to be finished and with another 20 million tomans this segment can be completed too. It has been decided to secure the needed fund from the sources within the Lorestan Province. Of course, regarding the operation and execution of the milk industry throughout the country, the government ought to revise its policies both from the viewpoint of price and subsidy and based on this revision milk plants can offer their final products to the people at cost price.

12719

CSO: 4640/13

IRAN

BAZARGAN ACCUSES KHOMEYNI OF PROLONGING 'RUINOUS' WAR

Paris LE MONDE in French 25 Sep 86 pp 1, 4

[Article by Christian Colombani]

[Text] While the Iranian leaders feverishly continue their preparation of the great, "final offensive" against Iraq, the Iranian Liberation Movement headed by Mehdi Bazargan, who was the prime minister of the provisional government set up by Imam Khomeyni immediately following the revolution against the shah, made public in Tehran a "message to the guide of the revolution." In the message Bazargan called on him to put an immediate end to a war which is ruinous both for Iran as well as for Iraq.

In the text of the statement, thousands of copies of which were distributed in Tehran, Bazargan and his supporters state that most of the Iranian leader, are in favor of a negotiated settlement of the conflict and that only Imam Khomeyni is determined to pursue the war. By taking this attitude Imam Khomeyni provides proof that he is in favor of "dictatorship and despotism," which are contrary "to Islam, the Koran, and the constitution."

On 27 August the Iranian Liberation Movement, presided over by Mehdi Bazargan, who was the prime minister of the provisional government established by Imam Khomeyni immediately following the revolution against the shah, sent a message to the "Guide of the Revolution" (Imam Khomeyni) asking him to put an end to the war against Iraq.

This is not the first time that Bazargan and his supporters--the last legal opposition to the Iranian Government--have called for a negotiated settlement of the Gulf war. On 2 May 1985 the former leader of the former Islamic government, together with Yazdi, his deputy, stated to a representative of LE MONDE: "It is necessary to negotiate with Iraq, in accordance with the teachings of the Koran and the traditions of the holy prophet."

This time the Iranian Liberation Movement goes even further, because it holds Imam Khomeyni personally responsible for the continuation of the war which, it states: "is leading to the total destruction of all of our human and economic resources." It adds: "Your order for 'war, war until victory' is being transformed into 'war, war until total annihilation.'"

This message has just been distributed in Tehran in thousands of copies at a time when the Iranian leaders are speaking of the "great, final offensive" against Iraq. In the view of Bazargan and his supporters, the conflict "has paralyzed the revolutionary process which had begun, following the establishment of the Islamic republic, along the path of freedom, justice, security, and economic independence." The war has caught both Iraq and Iran in "a trap set by the USSR, the United States, France, and the reactionary Arab countries."

The Iranian Liberation Movement placed personal responsibility on Imam Khomeyni for the continuation of the war. "At the time of the recapture of Khorramshar by our troops in May 1982," the statement emphasizes, "Hojatolislam Rafsanjani, the president of Parliament, assured us in a private meeting that we had no wish to enter Iraqi territory and that you were opposed to any idea of invading that country. Shortly after that you changed your mind and transformed our legitimate, defensive struggle into a vengeful campaign of aggression, which is contrary to the letter of the Koran."

Bazargan and his supporters state that the theory of the "offensive defense" used by the Iranian Government to justify the continuation of the war is contrary, "not only to the Koran and to the traditions of the prophet," but also "to the continuing position of the highest Shi'ite authorities for a thousand years."

The statement continues: "That resembles what the barefooted crusaders did, under the pretext of saving Bethlehem from the infidels." Bazargan and his supporters consider that this war is not "a war of Islam against the unbelievers, nor a war of the oppressed against the oppressors, but rather a war between two oppressed nations which are killing each other."

'You Are Not Infallible!'

The Iranian Liberation Movement solemnly states that the categorical rejection of any proposal for peace constitutes not only a violation of the Koran, the traditions of the prophet, and the practices of the Shi'ite imams but is also "a catastrophic political error." The statement continues: "Even though the enemy proposes peace to gain time and room to maneuver, Islam orders us to accept this offer and put it to the test." Bazargan and his supporters deplore the fact that none of the Iranian leaders dares to object to what the imam decides, letting it be clearly understood that all of the Iranian political and religious elite is opposed to the continuation of the war.

Addressing themselves to the imam, the authors of the statement declare: "We have learned that many leaders, including those who hold power and those who benefit from your confidence and are close to you, have understood the terrible danger which the continuation of the constitutes for our country. They have spoken to you, in fear, but the only answer they have received has been a glacial silence mixed with ill humor. You have told them that, if they feel tired, they can resign from their positions and that other persons would be appointed to perform their duties. You have told the theologians of Qom: 'Don't talk about peace and an end to the war as long as I live. After my death, it's up to you.'"

The statement continues: "Thus, it is clear that it is you alone who support the decision to continue with the war. That is dictatorship and despotism, contrary to Islam, to the Koran, and to the constitution which you yourself drafted. You are not infallible, and the responsibility for continuing this war, with everything which that involves in terms of economic, military, and religious consequences, goes far beyond the capacities of a single man. You are not higher ranking than the prophet himself. Now he, in similar cases, used to consult his advisers.

"Consequently, the Iranian Liberation Movement asks you to consult the people on the problem of the war and let the legally designated leaders, that is, the leaders of the nation and of the Higher Defense Council, give their views. That is your duty under Article 2 of the constitution. If you do not wish to follow this path, bring together respected personalities and experts and ask them to analyze the situation and then follow their advice. We, the members of the Iranian Liberation Movement, are ready to participate in such a discussion."

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CSO: 4619/6



ARTICLE SUGGESTS EXISTING EQUILIBRIUM HINDERS DECISIVE VICTORY

Paris LE MONDE in French 23 Sep 86 pp 1, 4

[Article by Jean Gueyras]

[Text] Baghdad--The Persian Gulf war has been going on for 6 years. Iranian President Ali Khamenei stated on 21 September that his country has never been "in so good a position from the military point of view."

This year Iraq celebrated in its own way the beginning of the Persian Gulf War by organizing, beginning on 4 September, a week devoted to the Qaddissieh of President Saddam. (Footnote 1) (The war against Iran is depicted in Iraq as a repetition, under the leadership of President Saddam Husayn, of the celebrated battle of Qaddissieh, which the Muslims won in 663 A D over the Persian empire of the Sassanides.) This was intended to commemorate "the victories won by the Iraqi Army over the Iranian aggressors." The Ba'ath Party leaders made use of this occasion to explain to foreign journalists that, contrary to what is generally accepted, it was not the Iraqi who began hostilities but rather the "idolatrous Zoroastrian wise men" (Footnote 2) (A term of abuse used by the Iraqi leaders to refer to the religious figures in Tehran, compared to the Persian wise men) who, after the fall of the shah, prepared to invade Iraq "in order to export their revolution."

The entry of Iraqi infantry and armored units onto Iranian territory on 22 September 1980, accompanied by the bombardment of Iranian airports and strategic installations by the Iraqi Air Force, was therefore only a simple, "legitimate defensive operation," intended to respond to the war begun on 4 September by "Khomevni the imposter," who ordered his troops to bomb the Iraqi border villages in a systematic way.

This attempt to rewrite the history of the beginning of the war has the particular objective of justifying the attitude of the Ba'ath leaders in the eyes of Iraqi public opinion. In fact, despite all of the publicity which is put about here regarding the theme, "It wasn't us who began this carnage," the Iraqi who personally experienced these events know very well that it was their leaders who began hostilities, turning into a conventional war what was only a series of simple border skirmishes at the beginning.

what is new is that the Iraqi--or at least some of them--no longer hesitate to say this openly, even in front of foreign contacts. Furthermore, they remain very skeptical when they hear their leaders tell them daily that their army "continues to win victories over the Iranian aggressors."

Certainly, the military situation at the front has evidently improved after the failure of the Iranian offensives of February 1985 (Dawn VI) and March 1985 (Badr) in the Howeiza marsh area. The prestige of the military leaders in Baghdad and of the Ba'ath Party increased proportionately. However, the loss of Fao, which was occupied in February 1986 by the Iranians, raised questions about everything and shook the calm assurances which the Iraqi general staff had been putting out for nearly 1 year.

Since then the bridgehead at Fao has been an Iranian salient beyond the natural border of the Shott-el-Arab. Together with the Mainun Islands, more than three-fourths of whose surface is still occupied by Iranian troops who have fortified themselves solidly there, these two locations constitute points of departure for a possible pincers offensive against the port of Basra. This still remains the priority objective of Imam Khomeini.

What is still more serious is the fact that it is now established that the loss of Fao was in large part the result of neglect by the Iraqi general staff and by the defenders of the city, who do not seem to have put up even a token attempt at resistance, so great was the effect of the surprise. Furthermore, the Iraqi counteroffensive aimed at retaking the city did not begin until after a delay of 4 days, precious time which was used by the Iranians to make their new positions almost impregnable.

Subsequently, and perhaps a little tardily, the best units of the Iraqi Army, including the armored division of the Presidential Guard, were thrown into the battle but were unsuccessful in dislodging the Iranians. Finally, unable to retake Fao, President Saddam Husayn, who is also commander in chief of the army, ordered the occupation of the Iranian city of Mehran, against the advice of General Tewfik Ibrahim, the commander of the 2nd Army Corps. General Tewfik Ibrahim considered that this city, which was finally taken by the Iraqi on 17 May 1986, could not be held for very long because it is situated at the foot of high plateaus which are difficult to defend. That is exactly what happened at the end of July, with the recapture of Mehran by the Iranians, who came down by the thousands from the high plateaus nearby.

The disastrous Mehran expedition had a double objective. First, to demonstrate that the Iraqi, like their Iranian enemies, were also capable of occupying and of holding important strategic positions on enemy territory. Secondly, to arrange for an exchange of Mehran for Fao, on condition, of course, that the Iranians would be willing to negotiate such an arrangement with an enemy whose legitimacy they refuse to recognize. Finally, the loss of Fao, which cost the lives of almost 15,000 Iraqi soldiers, and the defeat suffered in Mehran profoundly affected the morale of the army and of the people. The officers commanding at Fao, and particularly General Chawkat Ahmed, who was then commander of the 7th Army Corps, were disciplined. General Chawkat Ahmed was dismissed in April and replaced by General Maher Abdel Rachid, who had distinguished himself in 1984 and 1985 in the battle of the Howeiza marches.

Stunned by their failure, the Iraqi apparently have abandoned any idea of retaking Fao, as they do not wish to suffer further loss of life for what they now consider is only "a few acres of ground" without any strategic importance. However, it is clear that the Fao bridgehead, since connected to Iran by a road along the dike and by a whole series of temporary bridges, is a serious headache for the Iraqi general staff and a serious threat to the southern front which remains, according to the accepted wisdom, the target of the forthcoming "final offensive" in the direction of Basra. This offensive, if it ever takes place, will be far from an easy military operation.

In effect, the Iranians will first have to cross the "wall," a complex of fortifications some 15 kilometers deep which has been built by the Iraqi, part of which is visible from the Baghdad-Basra super highway between Qalaat Salhi and Qurna. This wall has recently been extended to the South by a natural canal and a lake which protects Basra from any attack coming from the Shott-el-Arab and to the North by a defensive position which extends to the vicinity of Badra and Mandali on the central front.

To attack what has become bit by bit a sort of Maginot Line, the Iranians will have to pay a high price. First of all they will have to break through the first defensive lines along the border, cross the marshes, and then attack the second line of the wall along the Baghdad-Basra super highway, after having crossed through extensive mine fields dotted with barbed wire and anti-tank defenses. It makes no difference that the Iraqi wall is what soldiers call a static defensive system and, like any static defenses, vulnerable to determined enemies who are ready to make heavy sacrifices. In fact, the strategy of the Iraqi general staff forces them to carry on an exclusively defensive war which seems to deprive them of any initiative or flexibility, in the face of an extremely mobile and imaginative enemy.

Therefore, despite the numerous obstacles which protect it, the southern front remains the Achilles heel of the Iraqi defensive system. On the other hand, the central front, which extends from Kut-al-Amara to the vicinity of Kasr-el-Chirine, is a source of less concern to the strategists in Baghdad. This front, as a whole, has been relatively calm during the last few years, with the exception of the Mehran region, which has very recently begun "to warm up again." It is not excluded that an eventual Iranian offensive may be undertaken in this sector in the direction of Kut-al-Amara, in the framework of the "final offensive" already spoken of.

Certain military observers even go so far as to foresee an Iranian attack in the direction of Mandali. In this case it would only involve a diversionary maneuver of the type periodically undertaken on the northern front, in Iraqi Kurdistan, where the rugged terrain makes any major breakthrough impossible. The recent offensive by Iranian troops in the Haj-Omrane area, as usual, resulted in a stalemate.

Therefore, there are strong prospects that the seventh year of the Gulf war, which began on 22 September, will not be the decisive year which has so often been discussed in Tehran. A near perfect equilibrium has been created between the two armies along the Iranian-Iraqi border. The Iraqi armed forces enjoy unquestioned superiority in terms of equipment, particularly the air force. The Iranian armed forces have an aggressive strategy based on surprise and

mobility. This situation seems to exclude any decisive victory by one side over the other. Western military circles in Baghdad even have the impression that the Iranians are aware of this fact and are trying, particularly by means of their repeated offensives, to increase the pressure, weaken the Iraqi regime, and break down the morale of the Iraqi people a little bit more. In the words of a western diplomat in Baghdad, "The Iranian troops regularly come and shake the tree to see whether the fruit is ripe and ready to fall."

For their part the Iraqi don't want to let themselves be bogged down in a land war which they cannot win. Since 1984 they have undertaken a military escalation in the waters of the gulf in an attempt to deprive the Tehran government of its only source of foreign exchange, gradually asphyxiating the Iranian oil terminal on Kharg Island, the Achilles heel of the Islamic Republic. In August 1986 the Iraqi Air Force, which dominates the skies over the area, took the battle farther South by destroying the petroleum terminal at Sirri, threatening to deprive Iran of the means necessary to finance its war machine.

However, the war which Iraq has been carrying on against vital economic targets in Iran constitutes a two-edged sword. In fact it strengthens the Iranians in their refusal to negotiate an honorable peace with the present leaders in Baghdad. It may also force the Iranian leaders in Tehran, threatened with asphyxiation by economic warfare, to resume the bombing of cities, which the Iraqi would like to avoid at all costs. This might precipitate and intensify the "final offensive" which has often been predicted.



NEPAL

BRIEFS

KING RECEIVES ENVOYS' CREDENTIALS--His Majesty King Birendra Bir Bikram Shah Dev received credentials from Ambassador of Israel Baruch Gilead, Ambassador of the Polish People's Republic Janusz Switkowski, Ambassador of the Hellenic Republic of Greece George A. Sioris and Ambassador of the Provisional Military Government of Socialist Ethiopia Shimelis Adugna separately at the Narayanhity Royal Palace amidst special ceremony Wednesday [8 October] afternoon. [Excerpt] [Katamandu THE RISING NEPAL in English 9 Oct 86 p 1 BK] /9738

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